

The VICE PRESIDENT. The question is on the motion of the Senator from Oregon.

The motion was agreed to; and (at 4 o'clock and 30 minutes p. m.) the Senate took a recess until Monday, January 16, 1933, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 14 (legislative day of Tuesday, January 10), 1933

FOREIGN SERVICE

Harold B. Quarton, of Iowa, now a Foreign Service officer of class 4 and a consul, to be a consul general of the United States of America.

APPOINTMENTS, BY TRANSFER, IN THE ARMY

TO ORDNANCE DEPARTMENT

First Lieut. Wallace Ellsworth Niles, Infantry (detailed in Ordnance Department), with rank from August 4, 1926.

TO INFANTRY

Maj. Eugene Manuel Landrum, Adjutant General's Department, with rank from November 16, 1927.

PROMOTIONS IN THE ARMY

TO BE CAPTAIN

First Lieut. William Edward Smith, Infantry, from January 11, 1933.

TO BE FIRST LIEUTENANTS

Second Lieut. William Hamilton Hunter, Cavalry, from January 7, 1933.

Second Lieut. Francis Cecil Foster, Field Artillery, from January 11, 1933.

PROMOTION IN THE NAVY

TO BE REAR ADMIRAL

Capt. Alfred W. Johnson to be a rear admiral in the Navy, from the 1st day of February, 1933.

HOUSE OF REPRESENTATIVES

SATURDAY, JANUARY 14, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

We praise Thee, Almighty God, that Thou art the everlasting Father, the Creator of all the ends of the earth, who fainteth not, neither is weary. Oh, guard our hearts; watch over these eager, hungry, passionate hearts of ours. Tune them at the source of all melody, goodness, and joy, and they shall be sweeter than the dream music that floats above the hills of God. Lord God of the nations, be pleased to hearken: Our country rose into being in conviction, devotion, enthusiasm, and sacrifice. Oh, spare this generation from living on the life made by the breath of others. When the hours of the day are over, merciful Father, flood all hearts and minds with the silver light of a perfect peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 38. Concurrent resolution for a joint session of the two Houses for appropriate exercises in commemora-

tion of the life, character, and public service of the late President Calvin Coolidge.

PROPOSED BILL FOR THE ISSUANCE OF UNITED STATES BONDS TO BE USED AS SECURITY FOR FEDERAL RESERVE NOTES

Mr. BUSBY. Mr. Speaker, I have just introduced a bill to provide for the issuance of United States bonds to be used as security for the issuance of Federal Reserve notes and to provide for the use of such notes.

I ask unanimous consent to extend my remarks on that bill, and to include as a part of those remarks the bill itself, which is short.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. BUSBY. Mr. Speaker, I have introduced a bill to provide for the issuance of United States bonds to be used as security for the issuance of Federal reserve notes and to provide for the use of such notes.

STATEMENT ON THE PROVISION OF THE BILL

The Committee on Currency Reform Legislation of the Open Forum has drafted a bill and presented the same to the forum for its discussion and consideration.

The bill has for its purpose, as the title indicates, to supply currency to supplement the slowed-down use of bank credits and currency now outstanding. Its main provisions are:

First. To authorize in the usual and accepted manner \$3,000,000,000 Government bonds which shall bear 1 per cent interest per annum. These bonds are to be issued \$1,000,000,000 within 30 days after the enactment of this bill, an additional billion dollars within 60 days after the enactment of the bill, and if the wholesale commodity index price level had not risen to 80 per cent of the price-level average for the period of 1921-1929 within 150 days after the enactment, then the third \$1,000,000,000 shall be issued and used for the purpose for which the whole issue is intended.

Second. Immediately after the bonds are issued they shall be transferred by the Secretary of the Treasury to the Federal reserve agents of the several banks, the Federal Reserve Board determining the amount which shall go to each agent. The Comptroller of the Currency shall deliver in the ordinary and usual way the usual and approved Federal reserve notes in amounts equal to the amount of the bonds transferred to the reserve agent for such bank. The bank shall immediately issue said reserve notes and transfer them to the Secretary of the Treasury, that is, pay them into the Treasury to be used by him to pay the expenses and current obligations of the Government.

Third. The notes to be issued shall be backed by 100 per cent Government obligations or bonds, with an added 20 per cent of gold, as a basis for the issuance of the new currency, the bonds shall mature in 10 years, be callable after two years, and as to sinking fund, payment, exemption from taxation, and so forth, be in all respects as if issued to be sold on the open market in the ordinary way as an ordinary bond issue.

Fourth. These Federal reserve notes shall be identical with other Federal reserve notes issued and in all respects be subject to the general provisions of law dealing with the issuance, redemption, and so forth. The purpose of the bill will be to provide additional circulating medium for the country in the most sound and approved way possible to issue currency.

I might explain that the Open Forum is a gathering of Members of Congress of all political parties. Every Member of the House is eligible to participate in its proceedings. The present membership of the Forum is something more than 100, and is growing each week. The bill I have introduced has been approved by the Committee on Currency and Currency Reform. This is a committee of the Open Forum; and the Forum has also heard and considered this bill. We will go immediately to the chairman of the House Committee on Banking and Currency and secure hearings on the bill. We hope to secure its passage in the House at the earliest possible date.

A bill to provide for the issuance of United States bonds to be used as security for the issuance of Federal reserve notes and to provide for the use of such notes

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to borrow on the credit of the United States not exceeding \$3,000,000,000 and to issue therefor bonds of the United States in the amounts and at the times provided in section 2. Such bonds shall have a maturity of 10 years, shall be redeemable at the discretion of the Secretary of the Treasury, in whole or in part, at any time after two years following their issuance, and shall bear interest at the rate of 1 per cent per annum. Such bonds shall be issued under the authority of the various Liberty bond acts, as amended and supplemented, and, except as provided in the preceding sentence, shall be subject to all conditions and limitations with respect to bonds which are now authorized to be issued under such acts, as amended and supplemented, including the provisions relating to the method of issuance, the form, denomination, method of redemption, conversion, time and method of payment of principal and interest, circulation privilege, refunding, and exemption from taxation. The sinking fund provided in section 6 of the Victory Liberty loan act, as amended (U. S. C., title 31, sec. 761), is hereby authorized to be made available for the retirement (subject to all the conditions and limitations contained in such section) of bonds issued pursuant to this section. None of the bonds provided to be issued under this section shall be redeemed before maturity unless the index number of wholesale all commodity prices as shown by the Bureau of Labor Statistics of the Department of Labor is 80 per cent of the average of such index numbers of wholesale all commodity prices for the years 1921-1929, both inclusive.

Sec. 2. Within 30 days after the enactment of this act, bonds with an aggregate face value of \$1,000,000,000 shall be issued under section 1, and within 30 days thereafter additional bonds with an aggregate face value of \$1,000,000,000 shall be issued under section 1. If within 150 days after the enactment of this act, the index number of wholesale all commodity prices for the preceding month, as shown by the Bureau of Labor Statistics of the Department of Labor, is not 80 per cent of the average of such index numbers of wholesale all commodity prices for the years 1921-1929, both inclusive, an additional amount of such bonds with an aggregate face value of \$1,000,000,000 shall be issued under section 1.

Sec. 3. The bonds issued pursuant to section 1 shall be immediately transferred by the Secretary of the Treasury to the Federal reserve agents for the Federal reserve banks, and the amount of such bonds each agent shall receive shall be determined by the Federal Reserve Board. The bonds so transferred to a Federal reserve agent shall be held by him as collateral security for the Federal reserve notes issued by his bank pursuant to section 4.

Sec. 4. (a) Notwithstanding the provisions of the first sentence of section 16 of the Federal reserve act, as amended, each Federal reserve bank is authorized, required, and directed to issue Federal reserve notes in an aggregate amount equal to the face value of the bonds transferred to its Federal reserve agent as provided in section 3, and the Comptroller of the Currency shall cause to be delivered to such Federal reserve bank Federal reserve notes in an amount equal to the face value of the bonds so transferred to such agent. The notes so delivered to a Federal reserve bank shall immediately be issued and transferred to the Secretary of the Treasury and shall be used by him for the payment of the expenses and current obligations of the Government.

(b) In addition to the bonds of the United States transferred to its Federal reserve agent as provided in section 3, each Federal reserve bank shall maintain with its Federal reserve agent reserves in gold or gold certificates of not less than 20 per cent against the Federal reserve notes in actual circulation issued pursuant to this section.

(c) Except as herein otherwise expressly provided, the Federal reserve notes issued pursuant to this section shall be subject to all provisions of law applicable to Federal reserve notes issued under the Federal reserve act, as amended.

Sec. 5. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this act.

MARTHA H. MILLER

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 348

Resolved, That there shall be paid out of the contingent fund of the House to Martha H. Miller, daughter of Thomas M. Holt, late an employee of the House, an amount equal to six months' compensation, and an additional amount, not exceeding \$250, to defray funeral expenses of the said Thomas M. Holt.

The resolution was agreed to.

ROANOKE COLONY COMMISSION

Mr. WARREN presented a report from the United States Roanoke Colony Commission, as provided in House Concurrent Resolution 26, Seventy-second Congress, first session, which was referred to the Union Calendar and ordered printed.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, I ask unanimous consent that business in order on Monday, February 6, shall be in order on Tuesday, February 7.

The SPEAKER. May the Chair be permitted to make an explanation? A resolution has just come from the Senate fixing February 6 for eulogies on the late ex-President Coolidge. That date happens to be a Consent Calendar day. Instead of undertaking to amend the resolution, substituting February 7, it was suggested by the gentleman from New York [Mr. SNELL], and others, that the business in order on Monday, February 6, shall be in order on Tuesday, February 7.

Is there objection to the request of the gentleman from New York?

Mr. STAFFORD. I assume there will be no other business transacted on February 6 except the exercises in commemoration of the late ex-President Coolidge?

The SPEAKER. Of course, the House will determine that. The Chair would say now that there would not be any other business transacted.

Mr. SNELL. As a usual thing there is no other business conducted on that day.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

THE LATE EX-PRESIDENT CALVIN COOLIDGE

The Chair lays before the House the following concurrent resolution (S. Con. Res. 38), which the Clerk will report.

The Clerk read as follows:

Senate Concurrent Resolution 38

Resolved by the Senate (the House of Representatives concurring), That Monday, the 6th day of February, 1933, be set aside as the day upon which there shall be held a joint session of the Senate and House of Representatives for appropriate exercises in commemoration of the life, character, and public service of the late Calvin Coolidge, former President of the United States.

That a joint committee, to consist of five Senators and seven Members of the House of Representatives, to be appointed by the Vice President and the Speaker of the House of Representatives, respectively, shall be named, with full power to make all arrangements and publish a suitable program for the joint session of Congress herein authorized, and to issue the invitations herein-after mentioned.

That invitations shall be extended to the President of the United States, the members of the Cabinet, the Chief Justice and Associate Justices of the Supreme Court of the United States, and such other invitations shall be issued as to the said committee shall seem best.

That all expenses incurred by the committee in the execution of the provisions of this resolution shall be paid, one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives.

The resolution was agreed to.

FARM RELIEF

Mr. STRONG of Kansas. Mr. Speaker, on Roll Call 139, which was the vote on the allotment plan for agriculture, I had an understanding that I was to be paired favorably to the bill with the gentleman from Illinois [Mr. DE PRIEST]. I simply want to state that I was not so paired; and if I had had an opportunity to be present, I would have voted for the bill.

WAR DEPARTMENT APPROPRIATION BILL

Mr. COLLINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes.

Mr. SNELL. Will the gentleman yield for a question?

Mr. COLLINS. I yield.

Mr. SNELL. As I understand, the program to-day will be to finish general debate and also have debate on the bill, and read possibly the first paragraph?

Mr. COLLINS. The program will be, first, a speech by myself on the bill. That will be followed by a speech by the gentleman from California [Mr. BARBOUR] on the bill, and the balance of the day will be spent on general debate.

Mr. SNELL. But there will be nothing done on the bill under the 5-minute rule?

Mr. COLLINS. We will read only the first paragraph.

The SPEAKER. The question is on the motion of the gentleman from Mississippi.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 14199, the War Department appropriation bill, with Mr. DRIVER in the chair.

The Clerk read the title of the bill.

Mr. COLLINS. Mr. Chairman, I yield myself one hour.

Mr. Chairman, I feel it is the duty of the membership of the subcommittee on military appropriations not only to give to the membership of the House an explanation of the items of appropriation carried in the military supply bill but more or less the theory back of the organization of modern armies. I therefore shall begin my remarks to-day with a discussion of the remaking of modern armies, so that the membership of the House will at least know my own ideas with reference to what I regard as adequate military defense.

ARMY APPROPRIATION BILL, 1934

In writing this bill we have earnestly endeavored to keep constantly in view two highly important things, namely, increased efficiency of our land forces and our earnest desire to keep within the figures of the 1933 appropriation for military expenditures. All economies, however proposed, were considered from the standpoint of efficiency, and no economies which would, in the opinion of the committee, impair the efficiency of the Army have been written into this bill.

Mr. PARKER of Georgia. Mr. Chairman, I make the point of order that there is not a quorum present.

The CHAIRMAN. It is evident there is no quorum present. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 142]

Abernethy	Crall	Harlan	O'Connor
Allen	Crowe	Hart	Oliver, Ala.
Arentz	Crumpp	Hartley	Owen
Bacharach	Cullen	Hawley	Prall
Bachmann	Curry	Holaday	Pratt, Harcourt J.
Baldrige	Davenport	Hollister	Pratt, Ruth
Beck	Davis, Pa.	Hornor	Purnell
Biddle	Dickstein	Horr	Ramseyer
Boehne	Doughton	Hull, Morton D.	Rudd
Bohn	Douglas, Ariz.	Hull, William E.	Schafer
Boland	Doutrich	Igoe	Schneider
Boylan	Drewry	Jeffers	Seiberling
Brand, Ga.	Eaton, N. J.	Johnson, Ill.	Slimmons
Brand, Ohio	Englebright	Johnson, Okla.	Smith, Va.
Britten	Erk	Johnson, S. Dak.	Somers, N. Y.
Brunner	Fish	Johnson, Wash.	Stalker
Buckbee	Fishburne	Kelly, Ill.	Stewart
Byrns	Flannagan	Kennedy, Md.	Stokes
Canfield	Flood	Kennedy, N. Y.	Sullivan, N. Y.
Carley	Free	Kinzer	Sullivan, Pa.
Carter, Wyo.	Freeman	Kurtz	Summers, Tex.
Cary	Fulbright	Lewis	Temple
Celler	Fulmer	Lindsay	Tierney
Chapman	Gasque	McGugin	Timberlake
Chase	Gavagan	McLeod	Tinkham
Cole, Iowa	Gillen	Maas	Underwood
Cole, Md.	Golder	Mead	Wingo
Collier	Goodwin	Miller	Wolfenden
Cooke	Granfield	Mouser	Wood, Ind.
Cooper, Ohio	Griffin	Nelson, Mo.	Yates
Cornling	Hadley	Nelson, Wis.	
Cox	Hall, Miss.	Norton, N. J.	

The committee rose; and the Speaker having resumed the chair, Mr. DRIVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having under consideration the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes, finding itself without a quorum, he had directed the roll to be called, when 299 Members answered to their names, a quorum, and handed him a list of the absentees for printing in the Journal.

The SPEAKER. The committee will resume its session.

The Committee of the Whole House on the state of the Union resumed its session, with Mr. DRIVER in the chair.

Mr. COLLINS. The real justification for armaments in one country is that they are maintained in all other countries. To the majority of people armaments appear to

have a psychological as well as a utility value, but regardless of values national armaments are relative. An increase or decrease in army budgets of one nation may be reflected in the national-defense budgets of all others. Therefore, it surely behooves us to take cognizance of the trend of national-defense budgets in other countries.

It has always been difficult to arrive at an honest comparison and real evaluation of the armies of the world. Consequently, army officers, naturally zealous in the development of their profession, have produced figures and charts supposed to reveal the preponderant armies existing in all other countries save their own. Alarmed by the threatened danger to the national safety thus portrayed, legislators the world over have hastened to unfasten the money bags in order to avert the impending destruction.

The high commands of all national armies have been guilty of this self-deception; and the legislators of all countries have been easily coerced into voting large military appropriations, thereby, and concurrently, increasing the tax burden on the people and unwillingly lending their encouragement to the race in armaments. But no longer can a general staff overawe legislators or browbeat the common man by presuming to have inside information or superior knowledge of existing military conditions. Thanks to the work of the League of Nations, the military, naval, and air experts of all the nations have agreed on a standard plan by which information, sent to the league by their governments, is made available. Our Department of State, with the assistance and advice of the Army and Navy Departments, has forwarded such information, which, with similar material from the other countries of the world, is printed in the armaments yearbooks. It was with this material as a basis that the discussions took place at the recent disarmament conference. With the possible exception of printed national budgets, the yearbook is the only authentic source of material on which comparisons of national defense forces may be based. In the light of this source material I propose to deal briefly with the armies of foreign nations.

Comparing the size of pre-war armies with the armies of the present day, we find that in 1914 the regular British Army, not including the British troops in India, consisted of 174,000 officers and men, whereas in 1931, according to the League of Nations yearbook, it consisted of 144,522 officers and men.

In connection with that statement there may be someone who will say that part of the British Army is intermingled with the forces in India; and that is true. There are at the present time 60,000 British troops intermingled with the Indian forces, but in 1913 there were intermingled at that time with the Indian troops 75,000 British troops. So in that regard the British number is on the decrease rather than the increase.

In 1913 the French army consisted of 790,000, and in 1930, according to the League of Nations Year Book, it was 651,320. In 1913 the United States Army consisted of 92,000; in 1930-31, according to the figures forwarded by this Government to the League of Nations, it was 139,957.

And bear in mind in making these comparisons I have used only the figures for the Regular Army. I have not considered at all in the statements thus far made any of the civilian components of the Army.

I have also outlined here, but I feel that it is unnecessary to read it to the committee, a table showing the three leading nations, year by year, beginning with 1923 down to 1930, those three nations being Great Britain, France, and Italy. All of them show a decrease in the number of men from 1923 down to 1930. The reduction since 1930 is not available, but I have general information that there has been a general decrease since 1930.

Mr. STRONG of Kansas. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. Let me proceed a while, then I shall yield.

Therefore, according to official figures, the British Army has been reduced by 29,478 officers and men, the French Army reduced by 158,680 officers and men, and the United States Army increased by 47,957 officers and men.

The postwar strength of principal armies

Active army	Officers and men							
	1923	1924	1925	1926	1927	1928	1929	1930
Great Britain.....	170,000	161,000	160,000	159,400	166,500	153,500	150,500	148,900
France.....			733,737	687,113	672,122	617,533	596,200	522,757
Italy.....		251,125	250,965	231,418	231,418	250,470	251,170	251,170

In view of these official figures, I can not agree with the Chief of Staff in his statement to the committee that, "The degree of reduction in our land forces stands as a unique example among world powers," nor with his statement that "these reductions now leave the United States the seventeenth ranking nation in military strength in the world."

For instance, the Chief of Staff in making his estimate of the strength of forces in France indicates in a table that is inserted somewhere in the hearings, that they have available 12,000,000 men. Well, it is silly to talk that sort of nonsense. They have a law on their statute books which makes available for military service any individual within certain age limits, and also those individuals who have received military service during the last 27 years, and added together those individuals would give France a military strength of 12,000,000. Under the same method this Congress could enact a law making available in this country the same kind of individuals and by the same method give this country a military strength of approximately 25,000,000 men. So it is silly to give to sensible men tables made up along those lines.

Moreover, in the Official Yearbook the figures for the National Guard have been omitted.

In attributing large reserves to other nations, as the Chief of Staff has done, we should bear in mind that several million men in the United States during the World War received military training. Moreover, in the Official Yearbook, the figures for the National Guard have been omitted, for, as explained, this branch of the service is not available to the Federal Government without measures of mobilization. The territorial army, which is the British equivalent of our National Guard, is included in the league official figures. In the United States there is the further fact also that we may pass a law making everybody liable to military duty. In place of the silly table submitted by the Chief of Staff whereby such small countries—as Spain, Poland, Rumania, Czechoslovakia, Yugoslavia, Sweden, and Switzerland—are granted a higher ranking in military strength than the United States, I am inclosing a table, based on official figures, showing the strength of the military forces of the nations. In inclosing this table I do not want to be accused of advocating the view that man power is synonymous with military effectiveness. The table is given merely for the purpose of presenting the picture as it really is rather than an imaginative one as was given in the hearings by the Chief of Staff.

Military forces of nations of the world

[League of Nations Armaments Yearbook, special edition, 1932]

Country	Active Army officers and men	Commissioned officers	Separate air force
France.....	651,320	33,570	42,554
Russia.....	562,000		
Italy.....	491,398	22,137	22,193
British Commonwealth:			
Great Britain.....	144,522	9,393	30,118
Australia.....	1,614		
Canada.....	5,214		
India.....	259,818	12,650	
Irish Free State.....	6,440	515	
New Zealand.....	561	119	
South Africa, Union of.....	2,487	151	
Poland.....	265,980	17,895	
Japan.....	259,304	17,343	
Rumania.....	240,501	14,185	
Spain.....	195,393	23,993	
Yugoslavia.....	184,448	6,741	
Turkey.....	140,000	20,000	

The table I have inserted is taken from the Armaments Yearbook. There is no necessity of dwelling upon the different figures in it, because when you read this speech, if you take the time to do so, and I hope you will, you can look at the table then for yourselves.

It should be pointed out that the figures in the table represent the number provided for in those countries rather than a lesser number of men actually serving. For instance, economies in those governments have forced them actually to list a larger number in their military forces than are actually serving. Italy, I understand, has a law on her statute books requiring each individual in certain branches of her Army to serve a year and a half; but because of the need of economies, these men are not serving a year and a half but rather a very much lesser time, estimated as being six months.

It should be pointed out that the above figures represent the number provided for in these countries, whereas a lesser number of men are actually serving—in the same way as we have less men serving in the armed forces than are provided for under the national defense act.

If we attempt to estimate the military strength of the United States on the basis advocated by the Chief of Staff, we find the following:

	Effectives
Regular Army.....	140,580
National Guard.....	190,000
Organized Reserves.....	107,342
Citizens' military training camp trainees.....	37,500
Reserve Officers' Training Corps.....	131,033
55c schools.....	15,944
Total.....	622,399

These figures do not include those of the National Board for the Promotion of Rifle Trainees who are furnished some ammunition by the War Department.

Of course, those figures total 622,000 plus, but they eliminate entirely the National Board for the Promotion of Rifle Practice, and we give to the trainees of the national board a part of the money they use. Also, this table could be supplemented by other effectives that could be drawn into the service by the enactment of a law.

The more we look into the subject the more apparent becomes the absurdity of any thinking person attempting to estimate the military strength of a nation on the number of effectives. If the Chief of Staff honestly believes that the United States ranks seventeenth in military strength, it is interesting to note the following passage from his annual report:

Governmentally we have to-day, from the standpoint of national strategy and policy, the strongest possible organization for war. It seems almost incomprehensible that this organization, which incidentally has been the envy of soldiers, sailors, and statesmen abroad, should be tampered with in its major elements in favor of a highly speculative experiment. (Report of the Secretary of War, p. 98.)

Yet, in spite of this organization which is the envy of the world, according to the same authority it is seventeenth in military strength.

Military strength no longer depends directly on man power actually in training or of the trained reserve. As has been pointed out elsewhere, until quite recently the most sturdy and reliable soldiers were drawn from the agricultural population. However, if not to-day, at least in the near future, all civilians connected during peace times with machines, and more particularly with such as can be immediately used in war—motor cars, trucks, busses, tractors, and civil airplanes—will form the main recruiting material for armies.

Remember this, whether you remember anything else I have said, that it is very much more essential in modern warfare that each individual know the mechanism of a gasoline engine than know how to parade on the drill ground.

In expenditures, also, the European nations recently have reduced. Compared with pre-war military disbursements, the European nations are spending more to-day upon their armaments. However, the years 1927 and 1928 saw the peak of these expenditures. Since then, and especially since the

depression, the principal nations have decreased their military budgets.

Mr. Chairman, I have asked the Reporter not to take down what I am about to say—

Mr. MARTIN of Oregon. Mr. Chairman, what right has a Member to speak on the floor without having his remarks reported?

Mr. COLLINS. Take it down, Mr. Reporter.

Mr. MARTIN of Oregon. Let us have it taken down.

Mr. COLLINS. Oh, I expect the gentleman to bob up every now and then, because the gentleman is an old-fashioned soldier, trained in the warfare of 50 or 100 years ago. Anything that is modern is offensive to him.

Mr. MARTIN of Oregon. Having gone through two wars—

Mr. COLLINS. Oh, of course, the gentleman wants to fight the next war, not as we fought the last war but the one before that, and that is exactly what I do not want to see done because I want to win the next war instead of losing it.

This week the Premier of France has announced a further reorganization of the army and additional sharp reductions in the military budget of 1934 (New York Times, January 9, 1933.)

Mr. STRONG of Kansas. What about Japan?

Mr. MARTIN of Oregon. Yes; what about Japan?

Mr. COLLINS. Japan, of course, is an exception to all statements which I have made regarding reductions. She is—and has been—engaged in actual military combat, and it would be as unfair to consider the Japanese expenditures at the present time as to consider those of the United States during any war-time period.

For the period since the publication of the Armaments Yearbook, 1932, the Army Estimates of Effectives and Non-Effectives Services should be employed for the British Army. According to this official publication, the net figures for 1931 are £39,930,000, and for 1932, £36,498,000, a reduction of £3,442,000, or approximately \$16,500,000. The other nations show a decrease in expenditures, but not as large.

Based, therefore, upon official figures, figures accepted by responsible departments of national governments, it is established beyond a doubt that all countries, with the exception of Japan, have reduced man power in active service, and especially since the depression decreased their budgets. If, as the Chief of Staff has done, we base the strength of our Army on the strength of foreign countries, we may reasonably reduce the man power of the United States Army and decrease the Army budget without in any way reducing the strength of our Army relative to that of any other power. Not only have the military budgets been reduced, but—as in the case of Great Britain—the territorial army and reserve forces have been reduced more than the active army. The estimates for the British Territorial Army and reserve forces in 1931 were £5,543,000, and in 1932, £4,001,000, a net decrease of £1,542,000 (Britain Army Estimates, p. 56), or approximately \$7,494,120.

In addition to the above in Great Britain, the net total pay in 1931 of £9,343,000 became, in 1932, £9,039,000, a net decrease of £304,000 (p. 43), or approximately \$1,477,440. It should also be noted that, although the Territorial army and reserve force were reduced and pay decreased, the estimates for the mechanical transport were changed from £45,000 in 1931 to £60,500 in 1932, an increase of £15,500, or approximately \$75,330.

This is a proper direction for increases in military budgets and this committee, since the bill has been presented to it, has increased expenditures for the matériel needs of the Army, especially the effective ones.

It is evident that if we attempted to follow the example of other nations, and especially that of Great Britain, we might still do considerable whittling of our military budget.

I will say at this point, although I shall have occasion to say it again, that the military part of this budget is only \$800,000 less than the actual amount of money appropriated

for the military forces of this country in 1933. The reduction in commodity prices alone would be 10 times this amount.

However, as I have said, a comparison of man power is no way to picture the relative military strength of nations in these days; nor was it a just comparison even in the World War, where we saw the Russian army hordes pushed completely out of the picture primarily because of their lack of the then modern weapons. Any attempt at ranking nations in military strength in such a manner is extremely puerile and woefully out of date. Progressive military leaders have long since abandoned any such system. Man power expresses a part, but only a very small part of the military strength of a country. In these days when wars mean actually a nation in arms, its whole potential power must be taken into account. Geographical situation, industrial capacity, economic resources, the ability to transform peace-time economic, financial, industrial, and scientific machinery into war-time demands play the most prominent part, and must be considered far above man power in any evaluation of the military strength of the nation concerned.

Mr. Chairman, if it were possible to seat an old man in the chair occupied by the reporter to-day, who could operate one of these Sunday-supplement death rays, and he could operate that ray from the northern part of the United States to the southern tip of Florida and destroy man power within the radius of that ray, that old man would have a greater military value than 10,000,000 men stationed along the Atlantic seaboard. This is a fantastic dream but illustrates the power of scientific knowledge over brute force. It illustrates the effectiveness of machines as against the club of olden days.

We must have an army, it is true, small in size and highly trained, to form, with its military equipment on hand at the beginning of a war, a spearhead for the Nation.

It is the potential power of Germany that France fears, for, as Mr. Briand stated in the League of Nations Assembly in 1928, "the same machines that manufacture the instruments of peace can rapidly be turned to the production of war material."

In the current number of Foreign Affairs General Requin states, "In the face of Germany's demographic and industrial superiority, the security of France demanded that she should have an army superior in effectiveness to the German Army." This potential power on the part of Germany, according to France, precludes any necessity for equality in German effectives. In the United States above all countries in the world, our potential power makes unnecessary any race in armaments and no table of effectives should be permitted to give any false impressions along these lines. I do not belittle the necessity for a properly organized military spearhead for our potential defense power; and I have always emphasized the necessity for a proper war reserve of the most modern implements, particularly since those implements are most closely akin to the peace-time tools of our scientific and industrial population.

We have always kept a provision in this bill regarding the war reserves of the United States that it should not be depleted. It is faking, just pure, downright, unadulterated faking, to keep that provision in the bill, because we have already depleted them, and this year the provision was taken out because I do not believe in deception.

Mr. JOHNSON of Oklahoma. Will the gentleman yield? Some of us did not understand to what provision the gentleman refers.

Mr. COLLINS. I shall comment on it when we come to it in the bill. It is a provision with reference to war reserves.

The hearings on this bill, but more particularly the annual reports of the chiefs of branches of the War Department, are replete with instances of lack of adequate matériel preparation. The alternative with which they are confronted is well exemplified by the following excerpt from the annual report of the Chief of Infantry for the fiscal year 1932:

The constant endeavor throughout the armed forces of the world is to obtain more fire power and more mobility per unit of ammunition weight and personnel.

I wonder if you will pardon me while I make this interpolation, because I have not finished the quotation? If we should have 25 men in a military unit and its fire power amounted to that [indicating], and fire power means the fire power you can throw into the enemy, and this organization of 100 men had fire power of this much capacity [indicating], and you could cut down the number of men from 100 to 25 without diminishing fire power, spend your savings in machinery, and make your fire power four times that of the smaller unit, would I be a pacifist in undertaking to do that or would you be a pacifist in trying to prevent it? This is all there is to the question.

The only way in the world, Mr. Chairman, you can give to this country adequate military preparedness and not impoverish the people of the country by the levying of taxes that they can not stand is to cut down personnel and put your savings in effective machines which we call matériel. [Applause.]

I will begin the quotation again from General Fuqua, who is the Chief of Infantry of the United States Army:

The constant endeavor throughout the armed forces of the world is to obtain more fire power and more mobility per unit of ammunition weight and personnel. Fire power is that ability to place at will and within a given area the required number of projectiles, masses of explosive, or chemicals per unit of time. This is the task of directed machinery. The organization for utilizing machines and the types of machines to be employed are vital factors. In the past fire power was measured primarily by the fire-delivery capacity of the hand-operated shoulder rifle. The increased fire power of automatic weapons as compared to hand-operated weapons is axiomatic. A practical premise, necessitated by economy, relatively large war-time stocks, and readiness for "M-day" to-day, is that organization or reorganization studies be based upon matériel immediately available in quantity. Concurrent research must be and is conducted, involving the use of matériel of the future.

In other words, gentlemen of the House, the military policy of this Nation should be rewritten into another defense act and let the policy of this Nation be based on matériel instead of personnel, which is the entire governing authority of the national defense act written back in 1916.

I wish our military leaders were as alive to our lack of matériel requirements as are those of the other highly scientific and industrial countries of the world. England is particularly fortunate in having in her own army a major general who has forced the acceptance of his views on the substitution of machine power for man power in war, as has already been done in every other sizable endeavor. In his article on the Mechanism of Warfare, contained in the publication of the Interparliamentary Union, and entitled, "What Would Be the Character of a New War?" are two illuminating paragraphs.

Discussing the use of man power in the operation of various weapons, General Fuller says:

A field gun requires 14 men to work it, a machine gun 6, a trench mortar 5, and a tank machine gun 1.3. If, in place, units be taken, then these figures will read as follows: 32.6 men per gun in an artillery brigade of 24 guns, 14.5 men per machine gun in a machine-gun battalion, 6.2 men per trench mortar in a trench-mortar battery, and 3.07 men per machine gun or cannon in a tank battalion.

Further he continues:

The 4,283,550 shells fired in the preliminary bombardment at the third battle of Ypres represent 176,000,000 men-hours at 2s. 6d. an hour.

On the first day of the Battle of Cambrai, 378 tanks were used and 293,000,149 shells were fired. The cost of a tank was then approximately £5,000 and of a shell £5. Though only 48 tanks were hit on this day, I will suppose that all were lost. Then the total cost in tanks and shells was £3,350,000 and not £22,000,000; the saving was, therefore, £18,650,000, or 149,200,000 men-hours; that is, 49,400 men working for 300 days at 10 hours a day at 2s. 6d. an hour. It might be noted here that 49,400 men represent the personnel of 67 tank battalions. At the Battle of Cambrai 9 were used . . .

In other words, the tanks fired twice as many shells and they cost one-eighth as much to operate them as all of the old-fashioned methods.

Economy in man power is an enormous economy in money; nevertheless, I will take a more concrete case. From the above it will be seen that the cost of one tank was equivalent to that of 1,000 shells. A shell once fired is totally expended; a tank, accepting a very conservative reckoning, will fight four engagements before being wrecked. Therefore, the cost of one tank is approximately equivalent to that of 250 shells. Consequently, had the cost of the 4,283,550 shells fired at Ypres been spent on tanks, 17,134 machines could have been produced. At the Battle of Amiens, only 415 of these machines were used, and with decisive results.

Again, General Fuller states, referring to the character of future war:

For such a war, where are the most skillful soldiers to be found? Not on the drill square or in the barracks room. But in the machine shops and the garages. The great hordes of unwilling infantry which daily crowd European armies will be as impotent against these men—men who can drive and repair, men born of the machine and possessed of the machine sense—as Crassus was at Carrhae when the Parthian horsemen surged around him.

This is not foreign testimony. The man that is testifying now is a gentleman who Mr. Green—some of you know him; he worked with the General Motors Co.—Mr. Green says that General Fuller has the greatest military mind that he has ever known or ever heard of. And, by the way, I understand that Mr. Green, of the General Motors, is really the man responsible for putting the tanks in the last war.

General Fuller is entitled to talk. As the chief general staff officer of the Tank Corps, he had a most responsible share in the project for the great tank surprise at Cambrai in November, 1917, and in the tank successes later. His views on mechanization, which were slowly accepted by the British Army, were early acclaimed by the French General Staff, who translated them and circulated them throughout their army as "an exact vision of the future." He became, in 1922, the chief instructor at the staff college, and, in 1926, was appointed military assistant to the new chief of the Imperial General Staff. A very young man when he first stood up for his views on mechanization, motorization, and other modernizing schemes, he has lived to see them an increasing part of the British Army. I recommend his books, not only to our Army officers but to the Members of Congress and to the taxpayer who would like to see our military budgets wisely spent.

It is extremely unfortunate that the Chief of Staff, during his recent trip to Europe, did not secure first-hand information of larger European countries, especially England, whose army is the outstanding military organization embracing the use of machinery in warfare. His report, however, does reveal the fact that he feels the need for more progress in the motorization and mechanization of the Army. The following paragraph in the report is interesting:

While the air force, in addition to its many other tactical and strategical uses, has thus relieved the Cavalry of some of its former responsibilities, it can not give to ground forces undisputed possession of the area lying toward the enemy in which the maneuvering of the Army must take place. A highly mobile ground force of some fighting power is still necessary for this purpose and to cover the slow-moving main army. This has always been the responsibility of the Cavalry, utilizing the horse as a means of rapid transportation and often as a shock weapon in actual assaults. In the latter rôle the modern bullet has driven the horse from the battlefield and in the former his relative degree of usefulness is gradually diminishing . . . Cavalry interest in mechanization has therefore been centered principally in armored cars and cross-country vehicles possessing a high degree of strategical mobility, with fighting power and tactical mobility as important though secondary considerations. (Report of Chief of Staff, p. 82.)

After showing that the Infantry are using tanks more extensively than formerly, the Chief of Staff continues—

The Artillery also has made much progress in substituting machines for animals as motive power, and the early motorization of practically all field artillery can be provided.

Although he writes encouragingly of the motorized and mechanized forces of the Army, he feels that the complete evolution into motorized and mechanized forces will take place only over a considerable period of time. With the advice of the Chief of Militia Bureau, the committee has hastened this transformation. But in spite of the general's

view that it is an evolutionary process, it is to be regretted that he did not find a way within budgetary limitations to assist this evolutionary process. The estimates literally made no attempt toward mechanization.

This bill comes to you with less than \$600,000 for mechanization. So it is tinkling brass and sounding cymbals.

Motorization, which is merely the substitution of motor-propelled vehicles for animal-drawn ones in all branches of the Army, and mechanization, which is the application of mechanics directly to the combat soldier on the battlefield, and the complete mechanization of an offensive weapon including its own propelling power, form a part of all progressive armies. In this machine age it is impossible to maintain the Army in the horse-and-buggy stage.

There is an amusing thing which I may say to you as I read along. We provide in the bill for complete motorization of all Field Artillery regiments of the National Guard, but they have a full equipment like cannon and machine guns, and so on, and we actually will have to provide for the gearing of the automotive equipment to 8 miles an hour, because the cannon are mounted upon wheels appropriate for use with horses and they could not be drawn faster than 8 miles an hour.

The substitution of automatic transport for foot movements, and the actual use of automotive machines in combat should be accelerated. Aircraft, tanks, armored cars, and chemicals are gradually assuming a larger place to the exclusion of the foot infantry and of all antiquated weapons of warfare. The two and a half mile per hour infantry masses and the six mile per hour cavalry, both lacking in fire power, are yielding place to a fast-moving armored force capable of striking suddenly from one direction, disappearing, and then repeating its blows from another. We must increase the rapidity of movements and decrease the vulnerability of our armies. Lieut. Col. J. H. Stilwell, writing in the Infantry Journal for November-December, 1932, has described the situation as follows:

The infantry column as now constituted is a large, fat caterpillar, ambling along at the mercy of nimble ants which can leap on it with impunity, do their dirty work, and disappear. If our long train of slow-moving wagons accompanies it, the case is worse, for then the caterpillar is dragging another caterpillar and is further handicapped in his defense. Let us assume that even though our own people still cling to General Grant's wagons, the march of progress and the scarcity of animals in this highly mechanized country will soon force us into complete motorization of our combat forces.

Infantry can not continue to crawl in an age in which high speed has become so essential. Motorization and mechanization are forcing themselves upon us. The Army must mechanize and motorize or mechanization and motorization will swallow the present Army system.

The committee, however, has made available certain appropriations for the purchase of automotive equipment. If the authority which is given the department is exercised, we may expect at least a part of our Army gradually to be built along those lines that will give it a larger fire power and greater mobility, with no increase in personnel. As stated by Lieut. Col. J. H. Stilwell—

Even though our old methods of security, march formations, and so forth, can still be used in many cases, we must learn new methods to be applied when there is any probability of our being attacked by mechanized forces—a threat that is growing daily.

In order that we may take advantage of our industrial superiority and make possible the application of mechanics directly to the combat soldier on the battle field, we have made available credits for this purpose. These should assist in the evolutionary process and hasten the day when the Army will be modernized.

As has been said, we are faced with economy in everything but thought. I hope some day to introduce an Army bill which will not be in effect a pay bill, but which will show a suitable distribution between necessary modern weapons, such as the airplane, the tank, the mobile machine gun, and chemical weapons; and the necessary highly trained small force to man them. We must recognize and take advantage of the changes which must be made in military

organization and equipment because of the recent developments in the gasoline engine, electrical science, steam power, and chemistry. In a lately issued book on mechanization, General Fuller says:

As the weapons of war change so will the nature of war change; and though this is an undoubted fact, tactically it must not be overlooked that weapons change because civilization changes; they do not change on their own account. To-day wars arise out of economic causes, because our present civilization is essentially an economic one, its pivot being the machine in one form or another. As the present age is largely a mechanical one, so will the wars of this age take on a similar complexion, because military organization follows civil organization. When Europe was all but roadless the horse was the civil and military means of movement, consequently cavalry abounded. When it became better roaded and fully agriculturalized, automatically infantry became the principal arm. So to-day, because manufacture is rapidly replacing agriculture as the main occupation of civilized nations, it may be taken as a certainty that military organization will follow suit, armies basing themselves more and more on the machine, the present expression of civil motive power.

As industry is the base of mechanization, it logically follows that in the future only industrialized countries will be able to wage organized warfare with success. When war depended on horseflesh, as it did during the Middle Ages, a country which possessed few horses stood a poor chance against a country possessing a plentiful supply. Similarly, in those distant days, a country which could produce armor, was all powerful compared to a country which could not. So also to-day a country which possesses few industries and manufactures few mechanical vehicles will be virtually impotent to resist invasion.

We are not such a country. It is perfectly safe to rest on our science and industry for our main line of national defense, if the military authorities will, within the scope of a reasonable budget, so shape our actual armed forces as to utilize to the fullest extent the most modern weapons, our great national assets. I am glad to say that this year's hearings on the bill have shown increased development of this line of action by the thinking officers in our Military Establishment.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman may be permitted to proceed for 15 minutes.

Mr. BARBOUR. Mr. Chairman, I yield the gentleman from Mississippi half an hour.

Mr. STAFFORD. But by the rules of the House, that has to be by unanimous consent.

The CHAIRMAN. The Chairman is putting it to the committee in the form of a unanimous-consent request. Is there objection?

There was no objection.

Mr. BARBOUR. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BARBOUR. To whom is that time chargeable?

The CHAIRMAN. It will be charged to the gentleman from California.

Mr. BARBOUR. I understand not, Mr. Chairman, if it is to be granted by unanimous consent. I just want to straighten this out.

Mr. COLLINS. I think the gentleman from California is going to yield me all the time that I need.

Mr. STAFFORD. Mr. Chairman, if the gentleman from Mississippi will yield, is the gentleman aware of the rule that no Member may occupy more than one hour of time without the consent of the committee? That is the rule that I am asking that consent be granted to overcome.

The CHAIRMAN. The Chair recognizes that rule, and has stated the request to the House, and unanimous consent is given. The parliamentary inquiry is as to whom the time is to be charged. If the gentleman from California yields with the consent of the committee, it will be necessarily charged to him.

Mr. BARBOUR. Mr. Chairman, I am willing to yield to the gentleman from Mississippi, but if it is to be by unanimous consent of the Committee of the Whole, and the time is not chargeable to this side, then there is no occasion for me to yield to the gentleman.

The CHAIRMAN. The gentleman from California will understand, of course, that it only goes to the extension of

time beyond the hour, so far as the consent of the committee is concerned.

Mr. BARBOUR. As I understood the situation, the committee has given its consent for the gentleman from Mississippi to proceed for an additional time.

The CHAIRMAN. But out of the time as a matter of course yielded to the two sides by the House. The Chair can not charge this time to the committee.

Mr. BANKHEAD. Mr. Chairman, if the gentleman will yield, under the unanimous-consent agreement by which we are proceeding the time is to be equally divided between the gentleman from California and the gentleman from Mississippi. If the time is to be extended and not to be charged to the gentleman from California, I think unanimous consent should be given technically that he might be permitted to proceed and that that time should not be charged against the time for general debate.

Mr. BARBOUR. As I understand, the unanimous consent was for the gentleman from Mississippi to proceed beyond the hour, and nothing more than that. If that is the case, I am willing to yield to the gentleman.

Mr. STAFFORD. If the gentleman is granted consent to proceed beyond the hour, under the rules of the House he may continue.

The CHAIRMAN. The time is fixed by the House and not by the committee.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed notwithstanding the rule that limits him to one hour.

Mr. BARBOUR. I object.

Mr. DYER. Mr. Chairman, we had an arrangement this morning that the gentleman from Mississippi and the gentleman from California were to have two hours upon the bill, and that after that time the remainder of the day was to be devoted to general debate.

Mr. STAFFORD. Oh, it was just the reverse of that. It was to be two hours of general debate, and no limit of the time for the consideration of the bill.

The CHAIRMAN. There can be no controversy about the time. The time is fixed by the House, and it was to be divided equally, with the understanding that the gentleman from Mississippi and the gentleman from California should have each an hour of that time. The Chairman of the committee is unable to control the time as fixed by the House, and necessarily the time must be yielded by the gentleman from California.

Mr. COLLINS. I think the gentleman from Missouri [Mr. DYER] misunderstood the consent request this morning. I think that request was that general debate would be for two hours and that there would be no time limit on the discussion of the bill itself. That was the consent request.

Mr. BLACK. Mr. Chairman, I have been granted time on the Democratic side in general debate. I understood that the first two hours of time were to be devoted to general debate, but that that general debate was to be confined to the bill. I now ask the gentleman as a parliamentary inquiry, will the subsequent two hours of general debate be unconfined in respect to subject?

The CHAIRMAN. As the Chair understood the order of the House, the two hours to be employed by the gentleman from Mississippi and the gentleman from California would place the committee in the attitude where the debate would necessarily be addressed to the bill.

Mr. DYER. Mr. Chairman, if the Chair will permit, that is contrary to what I understood from the gentleman from Mississippi himself this morning. He said in answer to an inquiry that he would take an hour and the gentleman from California would take an hour upon the bill, and that after that time there would be general debate for the rest of the time, with the understanding that they would read the first paragraph before the committee rose. Am I correct in that, I ask the gentleman from Mississippi?

Mr. COLLINS. There was no limit to the amount of discussion on the bill. Otherwise the gentleman is correct.

Mr. BLACK. But there is free time, is there not?

The CHAIRMAN. Yes.

Mr. BANKHEAD. Has the gentleman from California many requests for time?

Mr. BARBOUR. I have a good many requests. The gentleman from Mississippi and I had an understanding that I would yield time. It is quite probable that I shall not be able to take care of all of the requests that I have for time. If the Committee of the Whole is going to grant unanimous consent that the gentleman from Mississippi may proceed with his discussion, then that time should not be chargeable to me, or to our side of the bill.

Mr. STAFFORD. Mr. Chairman, a question of order. The Journal of yesterday, as approved by the House, confirms the request made by the gentleman from Georgia [Mr. WRIGHT] that the first two hours of to-day's proceedings should be given over to general debate, and thereafter debate should be confined to the bill. The gentleman from Mississippi [Mr. COLLINS] has been proceeding in violation of that order. I now ask unanimous consent that the gentleman may continue for 30 minutes, not to be taken out of 2 hours of general debate that was to be confined to general debate.

The CHAIRMAN. The gentleman from Wisconsin [Mr. STAFFORD] asks unanimous consent that the gentleman from Mississippi [Mr. COLLINS] be permitted to continue for 30 minutes—

Mr. LEHLBACH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LEHLBACH. I wish to inquire from the Chair wherein the Committee of the Whole House obtains power by unanimous consent or otherwise to change an order of the House.

The CHAIRMAN. If the gentleman insists upon the point, the Chair will so rule—that the committee has no such power.

Mr. BLACK. Mr. Chairman, in view of the evident confusion as to the allotment and the purpose of the time, I ask unanimous consent now that, when my time comes in general debate, I will be permitted to speak in that time out of order.

Mr. LEHLBACH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LEHLBACH. In case it is the wish of the committee that the gentleman from Mississippi [Mr. COLLINS] continue for another half hour, may not the committee rise and amend its order in the House and then go back into committee again?

The CHAIRMAN. As a matter of fact, the committee could do that if the committee so desired; and the Chair is prepared to entertain such a motion.

Mr. COLLINS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker pro tempore [Mr. BANKHEAD] having resumed the chair, Mr. DRIVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 14199, the War Department appropriation bill, had come to no resolution thereon.

Mr. COLLINS. Mr. Speaker, I ask unanimous consent that general debate on the bill continue until 3.15 p. m., the time to be divided equally between the gentleman from California [Mr. BARBOUR] and myself.

The SPEAKER pro tempore. And that thereafter there be general debate?

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to vacate the unanimous consent heretofore given.

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. COLLINS] asks unanimous consent that when the House resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill general debate on the bill be extended until the hour of 3.15 p. m., the time to be equally divided between the gentleman from Mississippi and the gentleman from California [Mr. BARBOUR].

Mr. KETCHAM. Mr. Speaker, would it not be the extension of time that would be equally divided?

The SPEAKER pro tempore. The Chair did not clearly understand the request of the gentleman from Mississippi, if such is the case.

Mr. COLLINS. Mr. Speaker, I asked unanimous consent that debate on the bill continue until 3.15 p. m., the remaining time to be divided equally between the gentleman from California [Mr. BARBOUR] and myself.

The SPEAKER pro tempore. The gentleman from Mississippi asks unanimous consent that when the House resolves itself into the Committee of the Whole House on the state of the Union the debate on the bill may proceed until 3.15 and be equally divided between himself and the gentleman from California [Mr. BARBOUR]; that thereafter the debate be general debate. Is there objection to the request of the gentleman from Mississippi?

Mr. BARBOUR. Mr. Speaker, reserving the right to object, there has been some confusion and I could not clearly understand the statement made by the gentleman from Mississippi. Do I understand the remaining time is to be equally divided?

The SPEAKER pro tempore. The request was that the time until 3.15 be equally divided between the gentleman from California [Mr. BARBOUR] and the gentleman from Mississippi [Mr. COLLINS].

Mr. BARBOUR. But what about after that?

The SPEAKER pro tempore. Thereafter there will be general debate, equally divided between the gentleman from California and the gentleman from Mississippi.

Mr. BARBOUR. Further reserving the right to object, Mr. Speaker, would that not be an unequal division of the time?

Mr. COLLINS. Mr. Speaker, I withdraw my former unanimous-consent request and will submit a further request. I ask that unanimous consent be granted for discussion on the bill until 3.15, and all of the time be given to the gentleman from California, and that the remaining time, for general debate, be divided between the gentleman from California [Mr. BARBOUR] and myself.

Mr. BLACK. Mr. Speaker, reserving the right to object, I think we ought to have an understanding that the balance of the time shall be used in general debate, unconfined.

The SPEAKER pro tempore. That is the request of the gentleman from Mississippi.

Mr. BLACK. I will have to object to the request the way it stands now.

The SPEAKER pro tempore. The request of the gentleman from Mississippi is not in disagreement with the views of the gentleman from New York [Mr. BLACK].

Mr. BLACK. But at the same time, Mr. Speaker, there is no clarity about the rest of the time for general debate.

Mr. COLLINS. Will the gentleman yield?

Mr. BLACK. I yield.

Mr. COLLINS. I think the House of Representatives has a right to know something about this particular bill. I could have moved originally that all debate be dispensed with, but I did not do that. We are going to run until late to-day, but I do not think the gentleman has put himself in a very good position with the membership of the House by trying to prevent a discussion of this bill.

Mr. BLACK. The gentleman is putting himself in a very healthy position when he seeks to talk about something else for eight minutes. I hope there is opportunity for debate on this bill. It is a good thing to discuss a bill in general debate, but at the same time when arrangements have been made and Members have prepared themselves to speak on other topics, there ought to be some clarity about the situation. I think the gentleman from Mississippi ought to frame his request so that he will be given time to discuss the bill and that the gentleman from California [Mr. BARBOUR] be given time to discuss the bill, and that in the remaining time other Members may have real, free debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. BLACK. I object.

Mr. STAFFORD. Will the gentleman reserve his objection a moment?

Mr. BLACK. I will reserve the objection.

Mr. STAFFORD. The very purpose of the gentleman's proposal is to accomplish what the gentleman from New York has now in mind. The gentleman now proposes that from now until 3.15 the debate will be confined to the bill.

Thereafter there is to be two hours of general debate, which is to be open to all Members, equally divided between the two sides.

Mr. BLACK. If the gentleman from Mississippi will modify his request to make the remaining time open to general debate, not to be confined to the bill, I will withdraw my objection.

The SPEAKER pro tempore. That was the request made by the gentleman from Mississippi.

Mr. BARBOUR. Mr. Speaker, reserving the right to object, would the gentleman from New York have any objection to somebody speaking on the bill during the balance of the time?

Mr. BLACK. If they make better speeches than have been made so far on it, I shall have no objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. COLLINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 14199) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1934, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 14199, the War Department appropriation bill, with Mr. DRIVER in the chair.

Mr. BARBOUR. Mr. Chairman, I yield the gentleman from Mississippi 30 minutes.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman from Mississippi may proceed, notwithstanding the rule of the House which says no Member may proceed for more than one hour.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. COLLINS. Mr. Chairman, I shall now proceed to a discussion of the provisions of this particular bill.

The 1933 appropriations for the War Department, military and nonmilitary, including all appropriations in the emergency relief and construction act, totaled \$456,742,513. Of the appropriations in the relief act, all except \$15,164,000 was for rivers and harbors and flood control. The estimates for 1934 total \$352,530,145, which gives us a figure of \$104,212,368 under the 1933 total of all appropriations for the War Department, and \$44,048,368 under just the bill for the War Department passed in this House last year. In other words, the military and nonmilitary activities of the War Department were decreased this year in the Budget under the bill of a year ago by \$44,048,368.

Mr. WOODRUFF. Mr. Chairman, will the gentleman yield at that point?

Mr. COLLINS. I yield.

Mr. WOODRUFF. The gentleman says the military and nonmilitary activities were decreased by \$44,000,000?

Mr. COLLINS. That is right.

Mr. WOODRUFF. Is it not a fact that the appropriations for purely military purposes have been decreased to that extent?

Mr. COLLINS. No, indeed. I will state right now the amount of the decrease proposed in the Budget on account of military appropriations. The apparent decrease in such appropriations was \$26,933,183, but in that amount is included the \$15,000,000 plus, carried in the relief act. The remainder is \$11,769,183.

It would appear, therefore, that, bill for bill, the military items in the Budget are \$11,769,183 under the 1933 appropriations, but you do not get the picture when you lay one bill down by the side of the other, because the 1933 appropriations were not all expendable by reason of the economy act which tied up a part of them and rendered them unavailable for expenditure. The amount so tied up was \$10,326,794. In addition, there were savings brought about by reduced rates for rental and subsistence allowances, amounting to \$1,280,328. Then, for next year it is proposed to suspend reenlistment allowances, at a saving of \$1,778,790. That we term a nonrecurring expense, which should be eliminated in drawing a comparison. Also, in last year's bill \$2,250,000 was carried for the housing of the Army and there is not a comparable item in this particular bill. Therefore, taking these several factors into consideration, the net result is that as the bill came to this committee it was \$4,846,729 above the actual amount available for expenditure in 1933 for military activities. In other words, as the bill came to the committee from the President of the United States, for military expenditures, it was approximately \$5,000,000 above the fairly comparable 1933 appropriations.

This presented to us our first problem, because we felt that in times like these military expenditures should not be increased, and about all we have done is to eliminate such an increase, because as presented to the House, the military appropriations in this bill are \$800,000, and only \$800,000—to be exact, \$804,524—under the actual appropriations for 1933, stripped of the frozen money and nonrecurring expenses which I have enumerated.

Mr. BEEDY. To clarify the matter at this point, will the gentleman yield?

Mr. COLLINS. I yield.

Mr. BEEDY. Is not the economy act to be extended to apply to all these appropriation bills this year?

Mr. COLLINS. In most respects; yes.

Mr. BEEDY. So, relatively speaking, it will make the same amount unavailable for expenditure under this bill, will it not?

Mr. COLLINS. No. In the last session we did not know how much the economy act savings would amount to, with the result that we carried the total and provided for impounding the economy act savings, or a large part of them. This year we have subtracted the savings estimated to accrue under that law. So this bill is only \$804,524 under the appropriations for 1933 for military activities, according to the method of calculating I have described.

Mr. ALLGOOD. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. I yield to the gentleman from Alabama.

Mr. ALLGOOD. I remember General MacArthur stated in the hearings that the reduction had been 10½ per cent.

Mr. COLLINS. That was not based upon a fair comparison. I am analyzing the bill, as the House is entitled to have it analyzed. If we appropriate \$300,000,000 and later fix it so that \$25,000,000 of it can not be expended, we have made available for expenditure only \$275,000,000. That is the picture, and that is all there is to it.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. I should like to go along without interruption, if I may.

Mr. GOSS. I wish to ask the gentleman one question.

Mr. COLLINS. If I had ample time, I would gladly yield. Everything I am stating is given in the report of the committee, which is available to the gentleman. I should like to proceed.

Mr. GOSS. The gentleman has made a statement which bothers me. I would like to have it cleared up.

Mr. COLLINS. I yield for a brief question.

Mr. GOSS. Do I understand the gentleman is advocating that the policies of the War Department be put in the hands of the Committee on Appropriations rather than the Committee on Military Affairs?

Mr. COLLINS. The Constitution of the United States puts that in the hands of the Congress.

Mr. GOSS. I am asking about the Military Affairs Committee.

Mr. COLLINS. So far as I am aware we are not usurping any of the powers or duties of the Committee on Military Affairs.

Mr. GOSS. I am speaking about legislation or matters of policy. The gentleman has been speaking about mechanization of the Army, and so on. Should not that really come from the Committee on Military Affairs, rather than the Committee on Appropriations?

Mr. COLLINS. The supply of the Army with munitions of war is authorized by general law, and no special legislation is needed to make in order appropriations for their procurement.

Mr. GOSS. Will not the gentleman admit that?

Mr. COLLINS. I am not going to admit anything except what is the fact, I will say to the gentleman. [Laughter.]

There is a substantial reduction proposed in the Budget in appropriations for nonmilitary purposes carried in this bill. These nonmilitary reductions amount to more than 50 per cent. Rivers and harbors and flood control have been reduced by 57 per cent, and these reductions have been carried by your committee in this bill. But the sum made available for military expenditures in this bill, as compared with comparable appropriations in the 1933 bill, show a net reduction of only \$800,000.

Now, Mr. Chairman, there are listed in the report of the committee on this bill principal savings which the committee has brought about. We had two problems confronting us. The first was to make the available moneys in this bill not more than the comparable available moneys for the Military Establishment in the 1933 bill. The second problem we had was this: The National Guard appropriations were so restricted by the Budget that the National Guard would be able to have only 22.75 drills a year instead of the minimum number of 48 drills provided by law.

So we had to find the money somewhere in the bill in directions of least consequence that could give us not only that \$5,000,000 to bring the bill down to where it was in 1933, but also approximately \$9,000,000 in order to give the National Guard 48 drills instead of 22 drills. Those were our two big problems.

The first large amount we find in the analysis of the principal reductions effected by the committee is under "Pay of the Army," \$2,310,501. We found that money in this way: The Budget took off \$5,765,876. We found that the economy act savings amounted to \$5,201,335. The rental and subsistence-allowance savings that were brought about by a presidential order amounted to \$1,280,000, and the reenlistment allowances that are proposed for elimination in 1933 amounted to \$1,778,790. So that gave us total savings of \$8,260,125; whereas the Budget subtracted \$5,765,000. So we felt that by lopping off the same savings, to the extent practicable, or approximately the difference between the two, and giving to the War Department the same money under the several pay projects that they had last year, less the amounts that they themselves proposed to reduce the various items, that they would have sufficient money to pay the Army. In other words, the saving was brought about in two ways. If, for instance, pay of warrant officers was reduced by them, we took off their reduction, and then as to other items we took off the amounts by which they exceeded the 1933 allocations and further sums if the items were affected by the economy act and other savings to which I have referred.

Then you will see we have taken off of pay of the Army an additional amount of \$10,000 for pay of aides. An aide is given an increase of pay by reason of such assignment. We felt in times like these there was not any necessity for that increase. The saving amounts to \$10,000. Then there was an item of \$98,550 under pay of the Army incident to recruiting that we deducted.

In order that you may understand the several reductions you will find applying to recruiting when you read the report, I may say we took all recruiting items and reduced them by 50 per cent, because there is not any necessity of carrying on extensive recruiting activities at this particular time. We felt that in view of the large number of people

who are trying to get into the Army—more than the Army can possibly accept—all recruits needed to fill estimated vacancies could be had with a minimum of expenditure.

Now, on the question of subsistence. The first item under subsistence that you will find, if you examine the report, is "Surplus working capital." The Army carries a working capital fund for subsistence of approximately \$5,000,000. This has been built up in recent years largely because of decreased commodity costs. We feel that it is a very healthy thing to maintain that working capital fund. We feel, with prevailing costs, that it is too large; but the Army desires to maintain it at slightly under \$5,000,000. We estimate that there will be a surplus in the fund of \$239,539, and hence propose its use instead for appropriation of a like amount.

Mr. EATON of Colorado. Will the gentleman yield for a question?

Mr. COLLINS. I yield.

Mr. EATON of Colorado. What is the source of that fund?

Mr. COLLINS. It has been built up by savings.

Mr. EATON of Colorado. Savings out of money appropriated by the United States?

Mr. COLLINS. Oh, yes; owing to the ration costing less than estimated.

The next savings under subsistence are brought about by a ration reduction from 33 to 31½ cents. The Army is paying now for its rations 29.72 cents. They built this budget up on 33 cents. They are actually paying for the ration now 29.72 cents. There has been promulgated a presidential order, effective April 1, changing the components of the ration in certain ways, and it is estimated by the Army that this new ration will cost a small amount more than the old ration has been costing. They estimate it will increase the average cost for the present fiscal year to 31.5 cents.

We do not feel that it will change the cost very much, but we are using their 1933 average figure for the entire year as the average cost during 1934; that is, 31½ cents rather than 33 cents, as provided in the Budget, and thus save \$605,124.

If by any chance the ration should cost a larger amount than 31½ cents, we have the working capital fund of approximately \$5,000,000 to fall back upon. There can be no excuse for the Army incurring a deficiency in this item.

The next item under subsistence is traveling expenses, \$63,021. That reduction has been brought about so as to hold the cost of travel to the same amount allowed in 1933.

The next general heading is "Regular supplies." Here we took off \$419,246 on account of stocks on hand and lower costs. For animals there is a reduction shown of \$147,200.

That is because there will be fewer animals to feed under the bill as drawn than estimated for. Lastly, there is a reduction of \$233,568, very largely owing to reduced commodity costs of a considerable number of miscellaneous supplies.

Under "Clothing and equipage," the reduction totals \$1,581,534. That reduction is brought about almost entirely by the purpose of the committee that there shall be a larger utilization of stocks.

We felt that in view of the large amount of stock on hand of clothing and equipage that we could subtract this sum of money without doing any injury.

For instance, that you may have an idea of the large amount of stock on hand, let me read to you from a list supplied the committee by the Quartermaster General. I shall commence with cotton breeches, 105,309; cotton service breeches, O. D., 1,883,029 pairs; wool breeches, service, O. D., 1,535,514 pairs. Caps, overseas, 1,003,007; woolen caps, 207,252; another class of caps, winter, 446,128. Coats, khaki, 114,791; service coats, O. D., 2,241,747; coats, service, woolen, O. D., 1,521,882. Drawers, cotton, summer, knee, 3,086,718; drawers, woolen, winter, 4,684,281. Hats, service, O. D., 487,980; working hats, denim, 463,550. Overcoats,

woolen, O. D., turned-down collar, 1,142,534. Flannel shirts, O. D., 1,234,526. Trousers, working, denim, 476,002; trousers, service, woolen, O. D., 830,652. Undershirts, summer, 2,302,075; undershirts, winter, 4,952,449. Flannel shirting, O. D., 2,549,624 yards, and so on.

With that large amount of stock on hand, we felt that it was not necessary to appropriate for an extra amount, knowing that if we made the appropriation, the money would be used either to build up larger stocks or to avoid using stocks on hand which, owing to style, quality, and color, there seems to be a disposition to keep on the shelves.

The next reductions fall under the head of "Army transportation." First, personal services, \$27,670. That is so as to make the salaries the same as they were in 1933. Under Army transportation, animals, for the purchase and maintenance of vehicles and horse equipment, \$73,883 is saved. They wanted to buy certain harness, and they have a great deal more harness on hand now we feel than they need. Some of it was for bobsleds and some for horse-drawn vehicles. We concluded that the item was relatively unimportant and in some respects unnecessary.

Under water transportation, repairs and supplies to boats, there is a saving of \$137,407. The Army asked for approximately \$800,000 for repair of boats. It has been only recently that we repaired the *Republic* at very large cost, and their water equipment generally is in excellent shape, as we are able to judge, so we arbitrarily brought about a saving there of \$137,407, because we felt that it would be practically impossible to expend wisely any more.

The next is an item of \$30,500 for the purchase of boats, and with the large number of boats on hand now, particularly in the hands of the Engineer Corps, we felt that the requirements could be met by transfer.

Motor transportation, recruiting, \$12,771, is an item that I have already explained.

Maintenance, preservation, and repair of vehicles, \$249,146. That figure was arrived at in this way: In the 1932 bill we made an appropriation for this particular work. We found, however, that \$249,146 was transferred to this particular activity from some other activity, and we felt that if they were able to make a transfer of that amount there was entirely too much slack in some of the other projects.

Experimental and development work under motor transportation, \$75,428. This committee has been heartily in favor of all kinds of experimentation. I do not know of a single item of experimentation that has ever been reduced, except this particular one. This one was eliminated last year and it is being eliminated this year, because at Holabird, Md., the Army maintains an automobile-manufacturing establishment. We felt the Army had no business manufacturing automobiles or experimenting in types of automobiles which, if we should have a war, we could not secure in quantity. Therefore, instead of its being in the interest of military defense, we felt that the experimentation there is really against military defense. So that proposed expenditure has been eliminated.

Purchase of non-passenger-carrying motor vehicles, \$441,500 saving. That involves two types of vehicles. The estimate covers ambulances and trucks. We felt that \$75,000 would supply all ambulance needs, and we reduced the figure for the purchase of ambulances from \$93,000 to \$75,000. They have \$80,000 this year.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. BARBOUR. Mr. Chairman, I yield the gentleman half an hour.

Mr. COLLINS. Mr. Chairman, we reduced the expenditure for trucks from \$578,500 down to \$150,000. We do not feel that that is a sufficient amount to supply their truck needs, but elsewhere in the bill we have given them the same authority that we have given to the National Guard, permitting the employment of any savings growing out of the displacement of animal transportation and war-time motor equipment in the purchase of new automotive equip-

ment, and we figure that savings thus accruing should amount to a larger sum than this item has been reduced.

Under rail transportation we find another recruiting item of \$159,499 which represents a saving. As to the operation of the Fort Benning Railroad, we show a reduction of \$25,000. That reduction has been brought about for this reason: At Fort Benning there is a 7-mile railroad line owned by the Government. It has been operated in the past by the Central of Georgia Railroad. It is a profitable short line. It was proposed to turn the operation of that particular short-line road over to a couple of gentlemen, who may be very nice, and I am sure they are—and, of course, naturally they would divide the freight charges on the agreed proportion they would be entitled to with the Central of Georgia Railroad.

The Central of Georgia Railroad has borrowed from the Reconstruction Finance Corporation approximately \$3,000,000, as I understand it, all of which is to be used in the payment of their taxes. The committee felt that we ought not by this method to impoverish the Central of Georgia Railroad by taking away from them the operation of a profitable feeding line, and, in addition to that, it appears to bring about a saving to the Government also by permitting the railroad company to operate it rather than these two private individuals.

Lastly, under rail transportation, you will find a reduction of \$789,237. That explains itself. We have adhered to the 1933 allocations.

That makes a total saving under Army transportation of \$2,021,978.

The next item of saving applies to the proposal to purchase 1,472 horses and mules, total cost \$220,875. If we take the animals, the horses and mules that we have in the Army, and add to that number the number that we call private mounts—and, of course, they are private mounts in name only—and if we take the animals that are in the Air Corps which the Chief of the Air Corps says he does not need, and consider the animals that can be displaced by motor equipment under the terms of this bill, we will find the Army overstocked with animals. We would have more horses than we need. General MacArthur says we are gradually transforming the Army from a horse-drawn to an automotively equipped Army. In my judgment, we do not need the horses that we have.

Besides that, the National Guard is getting rid of 10,000 horses. They say their average age is 18 years, but there are some of them under that age. Therefore, we have 10,000 horses there. We have more horses than we need, however, not counting the National Guard horses.

Barracks and quarters, \$27,001 for recruiting.

I have explained that.

The next item is \$698,024, upon the basis of the 1933 appropriations less economy act savings and minus reductions proposed in certain projects in the Budget.

The next relates to the reappropriation of amounts appropriated in the "Emergency relief and construction act," for gymnasiums, recreation halls, and clubs not yet commenced, and for projects appropriated for in such act and prior acts for Chanute Field, Ill., not yet commenced, as the result of which we have reduced the estimate by \$1,203,700.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. COLLINS. In just a moment I will yield.

Mr. EATON of Colorado. I have asked for a few minutes in which to explain one item in that group to the House.

Mr. COLLINS. Now, this was the idea back of that. The committee did not feel that in times like these, with 15,000,000 unemployed, we should spend for dance halls, recreation halls, theaters, and so on that amount of money, and we propose to hold up that particular type of appropriation and reappropriate the money in this bill for other worthwhile military objects, we hope.

Mr. BARBOUR. Will the gentleman yield?

Mr. COLLINS. I yield.

Mr. BARBOUR. The purpose for which it would be used will be repair and maintenance of barracks and quarters?

Mr. COLLINS. Yes.

Mr. BARBOUR. And in that way will probably give just as much or more employment to people as it would if it were spent on building theaters and places of entertainment?

Mr. COLLINS. I thank the gentleman for this additional information.

Mr. EATON of Colorado. But it was not the intention to cut out places for hospital patients to be cared for in that list?

Mr. COLLINS. I am afraid the gentleman has had his appropriation badly earmarked. It is like "Old Dog Tray." It has gotten in bad company. I sympathize with the gentleman.

Now, the balance of that reappropriation item consists of certain buildings that were eliminated at Chanute Field. Chanute Field is a place that was built during the war. The buildings are dilapidated and out of repair. It is at that point that we largely train the enlisted men in the Army in the use of machines and mechanized apparatus connected with the Air Corps. At Fairfield we have a place that has all the shops, practically all the housing, and practically everything that we need, and it has been the position of the Air Corps that this activity should be moved to Fairfield. It is now located out in a little village somewhere in Illinois about 20 miles from a university. I have been told that the morale of those men at Chanute Field is worse than at any other place in the Air Corps.

In addition to that, it will cost \$3,000,000 to put Chanute Field into proper shape for the work that is expected of it. In addition to that, the Air Corps Technical School should be located in or adjacent to an industrial center, because this is a straight industrial operation. It should not be located out in the country where it is. Chanute Field has been recommended for abandonment. We have about 200 Army posts, three-quarters of which we do not need, and certainly we ought to be willing at least to abandon one of them. We have been trying to abandon this one for about six years.

Next, Air Corps. There has been an agreement with the Navy, as I understand it, that the Army should not engage in lighter-than-air development. We took all lighter-than-air development out of this bill. We gave them all the money that they needed for the operation of their balloons, but as to lighter-than-air machines, we have eliminated that, and that is not objectionable. I do not believe the Chief of the Air Corps will find any objection to it.

The next is \$205,000 for photographic equipment. That is for the purchase of a lot of high-grade cameras, some of which would cost around \$8,500. We felt that with the cameras they have on hand they could continue to do the work that it is necessary for them to do.

The next, traveling expenses, \$42,175. That is simply to make that item conform with the 1933 appropriation.

I may, however, suggest a modification of this item when the bill is considered for amendments.

Reserve Officers' Training Corps. Under this head there are reductions proposed aggregating \$557,798. The first one pertains to subsistence. Those boys have been getting 59 cents a day for subsistence while at camp. This reduces it to 50 cents a day. It is in line with what has been done heretofore as to rations in every other branch of the Army except this. It easily can be reduced because of decreased commodity costs.

For instance, the Army ration was costing around 51 cents before the general decline in food prices. That is what it cost back in 1929. We are buying it to-day for 29.72 cents. This Reserve Officers' Training Corps' ration in kind has always been 59 cents. It has been carried at 59 and we are just trying to bring it down a few cents. The 50 cents will give them a 50 per cent better ration than the 59 cents would have given them three years ago.

The next is ammunition, \$70,122. The idea is to give them the same amount for ammunition that they have in 1933. I have heard no complaint about the quantity or

quality. This will make their ammunition the same as it is in 1933.

Purchase and forage of animals. That explains itself. There was an item for the purchase of horses. We eliminated it, and, of course, the feeding will be less if we do increase the animals.

Clothing in kind, \$300,000. There are issued to these boys certain uniforms and clothing. There was an estimate of \$600,000 for the purchase of uniforms and articles of the uniform. This does not reduce their uniform allowance a particle. They will get the same free issues of uniforms that they have in the past. The purpose of this is to make the Army draw upon reserve stocks which we figure are terribly over what they should be on clothing and wearing apparel generally. In other words, if this money were expended, it would leave just that much more clothing in the warehouses that ultimately would decay and become worthless.

We figure that they should use the clothing and uniforms they have on hand and not buy others merely for the purpose of giving jobs in their manufacture.

The next item is miscellaneous articles amounting to \$26,426. That is mostly incident to purchase items. These have been reduced by 10 per cent. Mind you, Reserve Officers' Training Corps procurements were not reduced a dime in 1933, not a dime; and we are bringing about a small reduction because of reduced commodity prices, to the extent of \$26,426.

No consequential change in the Reserve Officers' Training Corps training activity was brought about by the Budget. Under the law these boys can be trained a maximum of six weeks; the law says the maximum time they may be trained is six weeks. The Budget is predicated, as an economy measure, upon compressing into 30 days approximately the same amount of training they have been given heretofore in 42 days. So we have followed the Budget recommendations on this training activity. The National Guard is trained only 15 days, reserve officers are trained 15 days, and so on. So we feel that 30 days would be ample training for these boys.

The next item is the Reserve Corps, the Officers' Reserve. We have given the Budget figures intact. Not a penny has been added to or taken from the Budget figures. This item provides for 16,000 trainees in the Reserve. Last year provision was made for 20,000 trainees. This bill carries an amount for 16,000. In the past the trainees have been divided into two groups, the combatants and the noncombatants. The noncombatants are the newspaper men, the dentists, the veterinarians, and the procurement-planning boys, and so on.

They wanted to give them a free picnic for a few weeks, so they have been bringing them in. We figure that they could train 1,000 of them instead of 5,000, and that would allow training the same number of combat troops. Instead of giving these procurement-planning boys and some of the other noncombat reservists a picnic, they can stay at home if necessary; they can let some of the older men stay at home, too. You know the Organized Reserves is the only branch of the Army that you can not get out of at all. You can not even die out of the Organized Reserves. After a man is retired from the Regular Army, he can go into the Organized Reserves, and up to the last year or so could get his B. G.—that is, brigadier generalship—in the reserves. Of course, after a man is 64 years old he ought to get out of the Army; he ought not to be permitted to get into another branch of it. This part of the Army ought to be reorganized. In all good sense we ought to confine our reserves to young men from 21 to 45 years of age, men who can go into the field. It ought not to be top-heavy with a lot of misfits and senile individuals.

Citizens' military training camps: We eliminated \$1,000,000 there. The citizens' military training camp boys are usually recruited from the high-school cadets and the junior units of the Reserve Officers' Training Corps and some of the younger men in the National Guard. The Budget en-

tirely eliminated the citizens' military training camps item; they took it out of the bill entirely. The War Department felt that it would probably provoke a row to take it out, so they persuaded the Budget to give them \$1,000,000, or, as I understand it, the Budget reluctantly yielded and gave \$1,000,000 to the citizens' military training camps. That would train about half a boy for each county.

Mrs. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. COLLINS. Not now. I know the lady's weakness. I have not very much time, and there are some other items in the bill which I must explain. I will give the lady time to speak under the general debate.

So the committee accepted the Budget's uninfluenced view on the citizens' military training camps and entirely eliminated it. I know it is a nice thing; it teaches the boys to swim, to jump, and to play ring-around-a-rosy, and all those things. If we had plenty of money I would be just as much in favor of carrying on the activity as the gentlewoman from Massachusetts, but in hard times like these we decided it was very much better to take this item away from these young men and give it to the National Guard, which I regard as one of the best military activities of this Government. In my opinion the present chief of the Militia Bureau, who administers the National Guard, is one of the most progressive-minded Army officers we have in our Military Establishment.

Now we come to the National Board for the Promotion of Rifle Practice. Their national match activities are suspended another year, but they have about 1,600 shooting galleries over the country, and we have given them just a little bit more for ammunition to shoot, \$50,000, more as an act of generosity than of national defense.

I have now covered the principal reductions in the military items.

There are certain increases. The appropriation for the National Guard is increased by \$8,134,000. This is for the purpose of giving them 48 drills rather than 22 as recommended by the Budget.

Chemical warfare is given \$75,000 for experimentation in developing new chemicals. The experimentation appropriation for the Chemical Warfare Service was so small the committee felt we were starving it too much. Chemicals are perhaps one of the chief sources of national military defense, and the committee felt that this appropriation should be increased. We also gave \$26,000 additional for Stokes's mortars. This appears to be an increase of approximately \$100,000, but reductions will bring the total down to \$85,000.

Now, there are certain legislative provisions in this bill to which I wish to direct your attention.

Before I get to the legislative provisions let me call your attention to some of the decreases in the nonmilitary items:

On rivers and harbors the appropriation was reduced to \$39,388,129. There was appropriated for rivers and harbors for the fiscal year 1933, my recollection is, a total of \$90,000,000. This appropriation reduces that amount to \$39,000,000 plus. The Chief of the Engineer Corps of the Army says there will be available for expenditure for rivers and harbors in 1934 only \$44,000,000.

As to flood control, the Budget reduces the amount to \$19,000,000 plus. There was available for expenditure in 1933 for flood control \$47,500,000.

These two items have been reduced by more than 55 per cent. There will be available for expenditure for flood control in 1934 only \$28,000,000. I dare say that neither one of these activities will be able to carry on effectively upon the reduced appropriations. However, I want to present to you the viewpoint of the committee as I interpret it. We felt that as a subcommittee we should not determine for the House of Representatives the legislative policy on this particular subject. If these two items are to be increased, we felt they should be increased by the action of the House rather than by a subcommittee. Hence, so far as I am concerned—and I dare say I speak the opinion of the other members of this subcommittee—most of us or probably all of us would vote for an increase in these two items; but as a subcommittee we did not wish to formulate a policy and

present it to the Congress, because we felt it should be inaugurated on the floor of this House rather than in committee.

The emergency fund was reduced considerably. There is, however, a small amount on hand.

As to the canal appropriation, we reduced that by \$2,000,000. The canal has in bonds and cash a very large reserve.

Last year we directed the Panama Railroad Co. to use for the construction of the Madden Dam \$3,500,000.

Instead of setting aside \$3,500,000, as suggested by the committee, they set aside \$2,800,000 on their books.

To give you an idea of the assets of the Panama Railroad, they had on June 30, last, cash in banks and on hand, \$3,336,000; they had United States Treasury bonds amounting to \$7,581,000; and they had in another fund, set aside for construction, \$4,513,000; making around \$15,000,000 of cash and bonds. We figured that in times like these this railroad, with all of these funds on hand, should relinquish some of them to be employed in the development of the institution that is largely responsible for its existence.

[Here the gavel fell.]

Mr. BARBOUR. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. COLLINS. Now, with reference to some of the legislative provisions, the first provision is a restriction upon the 12 per cent interchange which was provided in the economy act. The purpose of that is this. If we should make an appropriation and say that not more than \$2,500 of the amount should be available for travel, we do not want that supplemented by an additional 12 per cent; and the first legislative provision on page 23 is to carry out that purpose.

The next legislative provision is to cover into the Treasury of the United States certain funds that are not audited by the Comptroller General's office. They are subject to expenditure in any way that certain officials of the War Department may desire. They grew up largely during the war. One of the funds is known as "The Stars and Stripes fund," built up from revenues of a newspaper published by the American Expeditionary Forces. There is approximately \$480,000 in this fund, which is administered by the Secretary of War. We felt it should be covered into the Treasury of the United States. It has been suggested by one of the Members that it ought to be earmarked, and we have no objection to that. The other is a fund known as "Other funds." This is administered similarly. We felt that it is unwise to have these funds lying around free for application to any purpose which the Secretary of War might approve.

The third one is the provision that no civilian officer outside of the War Department may have a military aide except the President.

The fourth legislative provision is with respect to extra pay to aides, to which I have already referred.

The fifth is a limitation to prevent the operation of the Fort Benning Railroad.

The sixth is a restriction on pay of officers detailed at the United States Military Academy. Under an old law, they are privileged to get more money than an officer occupying comparable rank and grade, and we felt that such a condition should not be permitted to continue.

The seventh is a modification of the post-exchange provision. It is restricted in that it is made applicable to Washington, Hawaii, and so on, and then it is broadened by permitting civilians and officers at posts to purchase at commissaries the same as enlisted men. Of course, if they are 7 or 8 miles away from town and they live on a post, they ought to be permitted to make small purchases at the post commissary, and the provision has been broadened in this particular and limited in the other particular.

Mr. Chairman, I believe this covers the major proposals in this bill. I appreciate the very courteous hearing that has been given me in trying to present this matter to you, and I am sorry I can not go into larger detail on some other smaller matters, but matters of equal importance. [Applause.]

Mr. BARBOUR. Mr. Chairman, I yield myself 11 minutes.

Mr. Chairman and gentlemen of the committee, you have listened to a very complete explanation of the War Department appropriation bill by the gentleman from Mississippi, who is chairman of the subcommittee.

I think you all realize from the statement he made here that the subcommittee, and particularly the gentleman from Mississippi, have done a lot of hard work on this bill and have really accomplished something toward the end we are all striving for in this session of Congress—that is, to reduce appropriations to the very minimum.

We are all in favor of that program, and the Appropriations Committee in the bills so far reported to the House has made a record of real accomplishment along that line.

The bill reduces appropriations for the fiscal year 1934 below those of the fiscal year 1933 and below the Budget estimates for 1934, although the reductions below the Budget estimates are not as large in amount as are the reductions in some of the other appropriation bills already reported.

The reason for that is that in this bill we are dealing with the national defense of the country, and certain things must be taken into consideration in connection with this bill that do not have to be considered in connection with other appropriation bills.

This bill is the one that provides for the insurance of the country. We are all economizing these days and looking about for places where we can curtail expenses, individuals, business houses, governments, local, State, and national. The individual can wear the old suit of clothes another year—he can wear his old hat another year. He can go without the new automobile that he had hoped to buy and make the old one do for another year or two. He can eat less at his table; but when he comes to his insurance, he has to consider carefully just how much he can reduce and where he can reduce.

In times like those existing to-day throughout the world—and it is not necessary for me to go into details; you can read them in the newspapers every morning and every evening; you know what these conditions are, in Europe, in Central and South America, and the Orient—I feel that this is not a time to attempt to economize too much in our national insurance.

I believe that the one thing that is more costly than another when you come to cutting appropriations is the unreasonable cutting of appropriations for national defense. We can get along without additional barracks and quarters, and, as the Chief of Staff has said, we can pay less for necessities, we can wear the old uniforms, but we must not stop our training. That is the one thing that goes to make up adequate national defense, the training of men and the proper equipment.

I propose to offer two amendments to this bill. The Organized Reserves appropriation has been reduced in amount so that it will reduce the number of trainees from 20,000 to 16,000. The Organized Reserves are private citizens who devote a portion of their time each year to the study of military matters and preparing themselves to mobilize in case of an emergency.

We have heretofore provided for training 20,000 of these officers two weeks in camp each year. This bill proposes to reduce that number to 16,000. I shall offer an amendment which will provide that 18,000 of the Organized Reserves shall receive two weeks active-duty training during the fiscal year 1934. That will mean an addition to the bill in the amount of just \$261,623. I think as an insurance premium it will be money very well invested. So far as I am personally concerned, I would like to see 20,000 trained, the same as during this fiscal year; but if we can provide a quota of 18,000 for the next fiscal year, it will not be such a reduction as will greatly endanger our national defense.

The other item is for the citizens' military training camps. The gentleman from Mississippi [Mr. COLLINS] has told you that they take the young men to these camps and teach them to jump and run and play ring-around-the-rosy. It is not necessary for me to deny that. You all

have these citizens' military training camps in your States. You are all familiar with the activities that are carried on there; and I think the great majority, if not all, of you, know full well that this work is a very valuable work, not only as an activity of national defense but for the training of the youth and young manhood of the country. The bill as it is now before you proposes to eliminate this item entirely. The estimates as they came from the Bureau of the Budget provided \$1,000,000 for 13,000 trainees. This year we provided for 37,500 trainees. The Chief of Staff has advised me that if we will provide \$2,000,000 in this bill, which will be \$2,000,000 more than the bill now carries, the item having been entirely eliminated, he will endeavor to train and believes he can train 30,000 of these young men during the coming summer. I feel that this activity is a valuable one from the standpoint of national defense, because it takes young men between the ages of 17 and 23 or 24 and teaches them the rudiments of military training. It also furnishes them with wholesome recreation during the training period and gives them proper instruction along the lines of good citizenship. In my amendment I am going to add a proviso that in selecting trainees for the citizens' military training camps preference shall be given to young men who are unemployed or the heads of whose families are unemployed.

One of the big problems this country to-day is facing is the large number of young men of about that age who are drifting about the country from coast to coast, riding on freight trains, hitch-hiking along the highways with nothing to hold them to any particular place, just wandering. Many of those young men are high-school graduates, young men who if conditions were different would be living at home and working at some honest labor. There is nothing for them to do. If we can give preference in these citizens' military training camps to young men of that kind and hold some several thousand of those young men off the roads for 30 days, give them nourishing food which perhaps they have not had for a long time, keep them for 30 days in a place of wholesome surroundings, I think the \$2,000,000 we will spend for the purpose will be very well invested, for that reason if for no other.

I think we can combine these citizens' military training camp activities this year with this plan of doing something for young men who will have nothing to occupy their time during the coming summer, who might go out and join this army of young people who are wandering here and there about the country.

There is another idea in connection with that proposal. It has been suggested that we gather up these young men who are drifting about the country and place them in encampments under the direction of Army officers, keep them there, give them something to do, give them libraries and reading rooms and wholesome food. That plan has been suggested for meeting this problem of young men who are wandering about the country. This will be a good opportunity to try it out, and see how it will work. At least we might get some valuable ideas and some valuable suggestions. When I offer the amendment to provide that the citizens military training camps shall train 30,000 trainees, that proviso will be attached to it. [Applause.]

The CHAIRMAN. The time of the gentleman from California has expired. All time in general debate confined to the bill has expired. The remaining time in general debate is divided equally between the gentleman from Mississippi and the gentleman from California.

Mr. CLAGUE. Mr. Chairman, I yield 15 minutes to the gentleman from Colorado [Mr. EATON].

Mr. EATON of Colorado. Mr. Chairman, when the chairman of the subcommittee reached that part of his remarks wherein he explained the transfer of funds, I tried to interrupt him to get an explanation of one item in the bill which I am sure has been the subject of entire misunderstanding. On page 25 of the bill \$135,000 heretofore appropriated for a gymnasium, recreation, and social hall at Fitzsimons General Hospital has been reappropriated for the next fiscal

year to be used for the construction of barracks, quarters, and other buildings.

As I read the hearings I find that a headnote has been written in the following words:

Appropriations for construction of theaters, post exchanges, gymnasiums, riding halls, etc.

And after the chairman of the subcommittee designated these as luxuries, he then named a number of them, including the statement on page 257 of the hearings:

Here is a provision for gymnasium, recreation, and social hall at Fitzsimons.

On the same page the appropriation therefor is shown to be \$135,000, of which \$1,200 has already been obligated and for which the plans will be completed before February 27, 1933, and the advertisements will follow immediately.

If this were merely a luxury, I would not complain. As the chairman said, this building may have gotten into bad company. It is unfortunate that it has been put in the list of theaters and post exchanges and gymnasiums and riding halls, and is designated as "a gymnasium, recreation, and social hall." If it were named a meetinghouse or a meeting place for convalescent patients, with privileges for reading and writing, and with proper facilities for use during periods when the patients are not required to be in bed, then you would have a different conception of this hospital facility. Remember there are from 600 to 800 convalescent patients, convalescing from tuberculosis, who are not kept in bed all day long and who have, as a part of their treatment, not merely to remain in bed and take medicine and lie in the sunshine, but have what some designate "recreation."

The site of the Fitzsimons Hospital is at a place where the climate is unusually dry and very moderate. The rainfall average is about 10 inches per year. In this part of the United States you can hardly realize that. There are only 10 inches of rainfall per year and approximately 350 days of sunshine. The hospital plant was built on a unit scheme, so that there are a great number of buildings, some of them built to care for approximately a hundred patients in a single one. Many of them are smaller. There are a total of 161 buildings used upon this 569-acre tract for this hospital.

The War Department states the normal capacity is 1,832 beds, and I am told by the Surgeon General it is the largest hospital in the War Department; but whatever the normal capacity is to-day, the original plan was for a 2,500-bed capacity hospital. The full quota of the buildings for such a hospital was never completed, and some of the completed buildings have always been used for purposes other than the housing and caring for patients.

During the World War period the War Department wanted to establish a general hospital in the War Department for the treatment of tuberculosis patients in a climate most beneficial for that purpose, and finally selection was made of this site close to the city of Denver for that particular purpose. When the site was decided upon, the people of Denver were solicited by patriotic citizens to collect money and buy the site and make a present of it to the Government. After a campaign the money was obtained, the land purchased, and then the use of the land was furnished the Government; but, on account of the changing ideas, the men in the War Department, on the one side, and the Department of Justice, on the other side, it was not until after I entered this Congress that the details of the use of the property were finally decided upon. That had nothing at all to do with the type of plan or erection of buildings, but it had to do with the point I am going to make, that as days go by men forget the plan, men do not take into consideration the purpose of the institution, and I am sure that for this institution the chairman of the subcommittee can relent in his decision that this \$135,000 shall be transferred from one fund to the other and that it shall be applied here for the purpose of furnishing one more necessary element in the care and cure of the patients who are now there, not the original 2,500, not the full 1,800 provided for, but the number who are there from day to day.

At all times every evidence of friendship and good will has existed between the people of Denver and the hospital authorities, but there has been a continual attempt made to change whatever arrangements were incident to the understanding that the Rocky Mountain merchants should be remembered for their generosity and given every facility for supplying the needs of the institution. At the present time there is what some people call a row between the War Department, on the one hand, through the Quartermaster's Department, and the merchants of the West, on the other hand, as to the manner of receiving bids, where they shall be received, and how the supplies for this institution shall be furnished. Of course, within a month or two months it will be settled again, but continually every two or three years these questions come up. Men go on the scene and propose departures from established customs without regard to whether conditions have changed in such a way as to warrant them. As time runs on, understandings and agreements which are not committed to writing are forgotten. Interview after interview is made necessary for the adjustment, and in the present bill we find arrangements that have been made for the erection of a building as a part of the original hospital, as a part of the cure and care of these tubercular patients, because it happens to be in bad company, have been lifted out of the bill. The drawing of the plans have only been partially completed. Plans will be completed in February. The building will be on its way by the first or the middle of May.

Since the war the original purpose of the hospital has been changed in part, but patients are sent from all points in the country for treatment for tuberculosis. Fitzsimons is now also used, in part, as a general medical and surgical hospital. Last year there were 4,620 patients sent from all parts of the country for treatment. Last year, on December 31, there were 1,118 patients in the hospital undergoing treatment. Any day you will find from a thousand to fifteen hundred patients in this hospital, of whom about 700 are World War veterans. They are cared for by 53 doctors and surgeons, 167 nurses, 21 officers, and 349 enlisted men and 381 civilian employees. It is used as a training school for the medical department of the United States Army.

Tuberculosis is a dread disease with many people, but with the present-day methods most cases are "arrested." The doctors do not say that these tuberculosis cases are cured. They say they are arrested. The time for treatment is long. One of the missing items in this institution of 161 buildings is some place for the men to have what the committee calls recreation. You may use that word, but it is a part of their cure and one of the things permitted when the patients are not required to be in bed. There is one little building there that is used for that purpose that the Government built as a part of its plant. If any of you were to see that little shed, you would say, "What do they use that thing for?" In so far as its size will permit it is useful but entirely inadequate. The original building plan was never completed. The fact is, there is no suitable place for the patients to go.

Then the American Red Cross has a little bit of a place just about the same size as this one. In these buildings they have some writing tables where men can write letters and play cards. In both places they have books and magazines. These two little buildings are, in fact, used for writing letters and playing cards and reading, and the doing of those things which sick men will do in their few hours away from the wards. These are all the facilities of this nature they have for the 600 to 800 ambulatory patients. These facilities are entirely and woefully inadequate.

I am sure the members of the subcommittee are fair and just. I am satisfied they had no idea what this building was to be used for, what its purpose was, or why it had been included with these other buildings in one of the bills last year, and I am sure that upon further consideration they will consider favorably an amendment on page 25 of the bill to strike out those words in lines 21 and 22:

Fitzsimons General Hospital, Colorado, recreation and social hall, \$135,000.

So that the plans that are being made may be completed and that the building may be contracted for and built. [Applause.]

Mr. CLAGUE. Mr. Chairman, I yield seven minutes to the gentleman from Connecticut [Mr. Goss].

Mr. GOSS. Mr. Chairman, I was shocked a few minutes ago when the chairman of the Subcommittee on Appropriations stood here on the floor and said that he some day hoped to bring in a bill that would carry out the policies that he has studied.

As a member of the Committee on Military Affairs, I think the Committee on Appropriations is going a long way when it even suggests usurping the powers of the legislative committees of the House which are charged with the duties in their respective capacities of recommending legislation. We had hearings some time ago on the question of surplus war material and its sale for the benefit of the unemployed. We find the Appropriations Committee discussing the same thing, and yet behind that subject is the study the Committee on Military Affairs gives to this question of national defense in trying to decide how much of this surplus clothing is needed for the immediate future.

The gentleman from Mississippi spoke about the mechanization of the Army. Our committee has had no hearings on that subject, none at all. In fact, the Chief of Staff and others in high command in the Army very seldom appear before our committee to discuss any of the matters of policy or change. Yet we find, as we come in here each year with the appropriations bill, that the Committee on Appropriations is mechanizing the Army and doing certain other things that the legislative committee as such knows very little about.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield.

Mr. BLANTON. If the gentleman will scrutinize the action of the present Committee on Appropriations, he will find that every move they make along the line he mentions is undoing some of the things that have been done heretofore by previous Committees on Appropriations in effecting economies. It is just merely saving money by undoing things that should not have been done by the Military Affairs Committee or any other committee.

Mr. GOSS. I suppose the gentleman believes that the Committee on Military Affairs should set the policy.

Mr. BLANTON. Certainly, and I have contended ever since I have been a Member of Congress that all of the legislative committees should fix the policy and the Committee on Appropriations should carry out that policy and the wishes of the legislative committees, admitting, of course, always, that it should effect economies. In years gone by the Committee on Appropriations has legislated along various lines in matters that cost much money, and to save money and prevent waste and extravagance the present committee has been undoing a great deal of that legislation.

Mr. GOSS. Of course, I know that under the rules of the House in the form of limitations, and so forth, legislation can be put on these bills, but I was greatly shocked this afternoon when I heard the gentleman from Mississippi saying that he would look forward to the time of bringing out a bill absolutely changing the policy of the War Department without even having consulted with the gentleman from South Carolina [Mr. McSWAIN], chairman of the Committee on Military Affairs.

Mr. BLANTON. No; it is only going back to the original fundamentals.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield.

Mr. KETCHAM. I was very much interested in the observation of the gentleman from Connecticut a moment ago, to the effect that the high command of the Army very seldom visited the legislative committee to discuss policies, but they were very frequently and numerous before the Committee on Appropriations presenting their discussions there.

Mr. GOSS. That is true.

Mr. KETCHAM. Does the gentleman see any connection at all in the change that has taken place with respect to appropriations in their representations in former years before the legislative committee and their present appearances before the Committee on Appropriations?

Mr. GOSS. Absolutely. That is what I am calling to the attention of the House at this moment.

Mr. BLANTON. If the gentleman from Connecticut would look into the matter further, he would find that many of these extravagant legislative matters are hatched out in the Army and Navy Club before they ever get to a committee of the House.

Mr. GOSS. That should not be done, I will say to the gentleman from Texas.

Now, I wanted to speak for a minute in connection with what I have often referred to as the peace-time practice order act. I introduced a bill two years ago, after considerable thought, study, and talk with the Ordnance Department, in connection with keeping up the training in our arsenals, so that in case of an emergency the men working in those arsenals might be loaned to industry to help industry supply this country with the material needed in time of war.

The House is well aware of the fact that only about 1 per cent, or certainly less than 2 per cent, of all the material needed in time of emergency can be made in our arsenals, and along the line of the thought of the gentleman from Mississippi, it seems to me in this new age of mechanization and with the new policies he is attempting to write into the War Department bill some more thought might be given to this subject in times of peace.

After a study of this bill I can say that if this thought could be enacted into law it would move up by two months' time the deliveries from manufacturing concerns on matériel for our Army.

War is costly, and every day we can save means millions of dollars, and it seems to me that a small appropriation with better training of the men in the arsenals as well as in industry might very well cut down the length of time of a war. I know in my own experience in connection with the Army ordnance district work in my State we are about 80 per cent complete on the plans of the Assistant Secretary of War, but it would take some six months to get certain of this equipment, with all the priorities that we could write, in order to put this matériel in the hands of the Army for use. [Applause.]

[Here the gavel fell.]

Mr. WRIGHT. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK. Mr. Chairman, technocracy is a word of terrific mule power covering a multitude of miscalculations. It started in a survey of wheels within wheels and wound up as a jumble of wheels within heads. It does a scientific snake dance right under the hard-boiled brow of Nicholas Murray Butler. It is the great Columbia rackets rax. A flock of dithery young scientists wondered what this great world was all about and finished by giving the world the jitters.

Their plan suggests the dreams of an ostrich after a formal dinner in a scrap-iron heap. They poured into a sausage-making machine some Marxian philosophy, Mussolini rantings, single "taxidermy" Volstead gin, and it all came out "boloney." [Laughter.]

The Columbia group viewed with alarm technological unemployment, researched a little bit, became politicians, and pointed with pride at their scheme for economic salvation. Like zealots of the Middle Ages, they promise their faithful an economics of harps and wings and they threaten the heretics with an economics of fire and brimstone. These mechano-messiahs have equaled in their thinking the intellectual accomplishments of Congress in the balmy days of the dries.

Their scheme comprehends a vast American robotage with a great engineering Jehovah sitting in the White House pressing push buttons to set in motion the rest of us as

the Jehovah decides whether we shall eat, drink, be merry, or sleep.

Because North America alone has sufficient energy reserves our continent is the only one physically able to obtain the benefits of the plan. The rest of the world is to sink into the sea while we sail merrily along on roller skates. Like all salvationists, wealth and capital are to be immediately destroyed; currency, debts, and lottery tickets are to be burned alive; and everybody is to be given a proportionate share of energy certificates by which they could go places and do things. Of course, all the energy in North America must be computed first. The scientists have struck a snag, because they can not estimate the horsepower used up in gum chewing, congressional speeches, marathon dances, and research work. It is figured it will take another thousand years to get a fair base for the domestic allotment of energy certificates.

However, in spite of the hysteria of the technocrats, they have served to give a warning to capitalism that out of itself it must derive compensatory measures for technological unemployment. Congress, under the Constitution, with the co-operation of industrial leaders, can bring about a program of such relief comprising unemployment insurance, old-age pensions, shorter hours of work, and a more equitable distribution of wealth. By law, machinery should be encouraged for its blessings and taxed for its consequential damage. No more important task confronts the new administration than the stirring of science to new inventions and of protecting humanity from the ravages of the machine. The technocrats preach a desolation under the gilt of promised leisure. Capitalism is merely faltering, but it has a record of achievement which guarantees greater accomplishments under proper initiative. [Applause.]

Mr. CLAGUE. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Chairman, in so brief a period I shall not be able to deliver to the House all the material I have, and I ask unanimous consent at this time that I may extend my remarks by including therein excerpts from some letters I have received.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the Record as indicated. Is there objection?

There was no objection.

Mr. CROWTHER. Mr. Chairman, I want to take up the subject of depreciated currency and its damaging effect on American industry. It seems to me in this period, when we are bemoaning the fact that revenues are being lost to us and trying to devise various and sundry ways to produce revenue, we have lost sight of the fact that due to depreciated currency we are going to lose over \$100,000,000 at our customhouses, dating from the time that Great Britain and many other foreign countries went off the gold standard.

We now have some 28 countries off the gold standard. Some have said 41, but I think the other 13 are countries that never were on the gold standard but are using depreciated currency by having reduced their silver coin to 500 fine instead of the high percentage it formerly contained.

At the last session of the Congress I introduced a bill and the gentleman from Oregon [Mr. HAWLEY], the former chairman of the Ways and Means Committee, also introduced an identical bill, as well as several other Members; in fact, there were some 10 or 12 bills introduced prior to hearings, being held on this subject of depreciated currency.

We now have a bill introduced by a Member on the Democratic side of the House, the distinguished gentleman from Washington [Mr. HILL]. It does not differ very greatly in its substance from the bills that were introduced in the last session of the Congress which were given consideration by the committee.

This subject has been of interest to the people of the United States for a long time and the Saturday Evening Post, on the 17th of September, I believe, carried a

short editorial on this subject. The editorial stated that due to depreciated currency in 40 of the leading countries, 12 of which are named in a list below, the element of protection had entirely vanished from the present tariff act, the Hawley-Smoot law.

They then gave a list of the 12 leading exporting countries to the United States and gave the percentage of their currency depreciation, running from 13 per cent in Canada to 58 per cent in Spain. This list included Great Britain, Norway, Sweden, Denmark, Spain, Finland, Japan, India, Argentina, Brazil, Uruguay, and Canada. The editorial and my answer follow:

With many countries off the gold standard, the tariff arrangements of the United States are affected.

A recent editorial in the Saturday Evening Post said: "In the case of some 40 nations which have already gone off the gold standard, our tariffs in many instances have been cut to such extent that they are at the vanishing point."

CURRENCY DEPRECIATION ABROAD

The following table gives the par quotations and depreciation percentage of the currencies of the chief countries that have abandoned the gold standard:

	Par	Current quotation	Depreciation
			Per cent
British.....	\$4.86	\$3.47	28
Norwegian.....	.2680	.1742	35
Swedish.....	.2680	.1783	33
Danish.....	.2680	.1850	30
Spanish.....	.1930	.0805	58
Finnish.....	.0252	.0150	40
Japanese.....	.4980	.2450	50
Indian.....	.8650	.2625	28
Argentinian.....	.4244	.2525	40
Brazilian.....	.1196	.0725	39
Uruguayan.....	1.03	.475	53
Canadian.....	1.00	.87	13

"Shortly after England and the Scandinavian countries abandoned the gold standard, both France and Germany protected themselves by measures providing a countervailing duty under which imports from countries that had abandoned the gold standard would pay the difference between the depreciation of their currencies and their par values.

"Canada did the same thing by order of council. The United States, the greatest of all markets, has done nothing to protect itself against these conditions."

DEMOCRATS PREVENTED NEW DUTIES

The reason countervailing duties have not been imposed by the United States is that Democratic opposition in the Ways and Means Committee of the House of Representatives prevented such duties from being enacted into law.

Congressman CROWTHER and Congressman HAWLEY introduced identical bills calculated to protect the United States Treasury and domestic manufacturers from the losses occurring as a result of the various nations abandoning the gold standard.

The Crowther bill provided for the payment on all imports at the customs houses of a sum that would represent the difference between the depreciation of foreign currencies and their par value.

This subject was given consideration by the Ways and Means Committee, and many witnesses were heard who testified that a manifest injustice was being done to American producers, who under normal conditions would have received a fair degree of protection under existing tariff rates.

The Democratic members of the committee, who were in the majority, voted against reporting the bill to the House of Representatives. Such action by the Democrats is evidence that they are perfectly satisfied with the reduction in tariff rates that are described in the above editorial from the Saturday Evening Post.

PROTECTIVE EFFECT OF TARIFF KILLED BY DEPRECIATED CURRENCY

The depreciation of foreign currency has completely destroyed any element of protection to American industries that existed under the Hawley-Smoot Tariff Act. The adoption of this legislation would have been of tremendous advantage to many of our leading industries, and would have materially reduced imports that are taking the place of goods that we ought to be making in the United States.

Domestic manufacturers are suffering from unfair competition, and the Treasury of the United States is losing millions in revenue.

The above statement will bring to your attention the fact that these other countries have an opportunity to make tariff adjustments overnight, by executive order or order of council or by cabinet decree, while we have to wait a very long period for a change of administration and declaration of policy by the new party in power, except that we may seek relief from the Tariff Commission.

Mr. PATMAN. Will the gentleman yield?

Mr. CROWTHER. I yield.

Mr. PATMAN. The gentleman says that the trouble is a depreciated currency. Can not the gentleman put it the other way and say that the trouble is an appreciated currency in our country?

Mr. CROWTHER. Well, that is another subject. That suggests the gentleman's plan of currency expansion, and I would like to discuss that with him at some other time.

Mr. PITTENGER. Will the gentleman state when these hearings were had?

Mr. CROWTHER. On May 12, 13, 16, 17, and 18, in 1932.

Mr. PITTENGER. The Committee on Ways and Means took action on the type of bill you were talking about?

Mr. CROWTHER. Yes.

Mr. PITTENGER. And who is responsible for not reporting that bill?

Mr. CROWTHER. Well, the gentleman can draw his own conclusions. He only needs one guess.

Mr. RAGON. There were Republican Members who were not in favor of it, were there not?

Mr. CROWTHER. I think there was one.

Mr. SNELL. Will the gentleman yield?

Mr. CROWTHER. Yes.

Mr. SNELL. France and Germany and Canada took action to protect themselves against those countries which had a depreciated currency?

Mr. CROWTHER. Yes; they did. Now, as I say, we gave consideration to that legislation, and, of course, I could not help but observe the difference between the joyous expression on the faces of our Democratic friends on the committee when we were considering that legislation, and the sorrowful look on their faces when we were considering the legislation that involved the sales tax and the raising of money in the attempt to balance the Budget.

When my friends came and sat down in these committee meetings to consider the tax bill they had frowning faces, wrinkled foreheads, and looked worried and disturbed throughout the consideration of that legislation, when we were compelled to raise money to balance the Budget; but when we were considering this bill to get some relief from depreciated currency they smiled all through the hearings, and were just tickled to death. Why, they just rubbed their hands and gave them a dry wash like Uriah Heep and gave everyone the idea that they were perfectly satisfied with the existing conditions. The evidence submitted showed that the ad valorem rates in the Smoot-Hawley bill were being reduced automatically by from 25 to 40 per cent through the depreciated currency, and that evidently met with their absolute approval.

They seemed perfectly satisfied that the reduction in tariff rates they had been promising the American people was taking place without any effort on their part, and I presume that is one reason why they have not introduced a tariff bill providing for a reduction of the duties that they complained so bitterly of during the campaign.

Mr. BARTON. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. Yes.

Mr. BARTON. Is the ad valorem tax on goods shipped into this country based on American money or on foreign money of the country from which the goods come?

Mr. CROWTHER. It is based on the foreign invoice price, translated into American dollars at the prevailing rate of exchange. We lost an opportunity a few years ago that would have saved us all this trouble if we could have adopted the policy of American valuation in determining the amount of duty that should be paid at the customhouses.

If we had adopted the policy of levying duties on the American landed value, that would have been of some avail, but to have had American valuation would have kept us out of the trouble that we find ourselves in now. And I tell you that this depreciated currency at this moment is just a dagger in the bowels of industry in the United States, and hundreds of our industrial plants now do not know which way to turn, they don't know how long they can keep run-

ning, they don't know how soon they will have to discharge some of their employees. They are in a precarious and dangerous situation.

Mr. BUSBY. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. Yes.

Mr. BUSBY. Will the gentleman tell us in what way the tariff can be made effective without bringing the currency of our country more into line in value with the currencies of countries with which we trade?

Mr. CROWTHER. Yes. Adopt this legislation and collect the difference at the customs house as a surtax, or as a countervailing tax on the imports on the difference between the par value and the depreciated value on the day of entry.

Mr. BUSBY. That might work in so far as incoming trade is concerned, but would not that make it impossible for us to carry our goods, with the high gold currency that we have in this country, into their trade territory and sell the goods for their money and then exchange it into American money? Would not that make our trade abroad more impossible?

Mr. CROWTHER. I do not think so for a moment. Our export trade now is the largest export trade in the world. It is not as large as it ought to be by any means, but it exceeds the export trade of any country in the world, even under these most unfavorable circumstances.

Mr. BUSBY. That may be true, but I would like to have the gentleman's explanation as to how we would make up the difference in the amounts we received in their money and what that money would be worth when exchanged into our gold-standard dollar. I would like to have the gentleman explain about that.

Mr. CROWTHER. Mr. Chairman, I do not want to discuss that now because that involves a discussion on a subject that is a hobby with the gentleman from Mississippi. If I were in any way inclined to advocate some change in our monetary system, I should favor the flexible gold standard suggested in what is known as the Fisher plan. I am unalterably opposed to our going off the gold standard.

Mr. CAMPBELL of Iowa. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. Yes.

Mr. CAMPBELL of Iowa. I understand the gentleman to make a statement that our foreign trade is larger than that of any other country in the world.

Mr. CROWTHER. Yes.

Mr. CAMPBELL of Iowa. Is it not true that England's foreign trade was larger in the last year than that of the United States?

Mr. CROWTHER. I do not think so; at least not according to the last figures that I saw.

Mr. PITTENGER. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. Yes.

Mr. PITTENGER. I have listened with a great deal of interest to the gentleman's discussion, but it is a fact that our friends on the other side of the House are in control of the Committee on Ways and Means, and could report out a bill of this kind any time they want to.

Mr. CROWTHER. They could, and we have a bill now introduced, and I am hoping they are going to give it consideration.

Mr. CHINDBLOM. Mr. Chairman, I suggest that there might be some confusion as between export trade and foreign trade. The term "foreign trade" ordinarily means both import and export trade, and I have no doubt that my distinguished friend from New York was speaking of our export trade.

Mr. CROWTHER. Yes; I thank the gentleman from Illinois for his suggestion.

Mr. CAMPBELL of Iowa. So far as that is concerned, the general trade, both export and import, of England, is larger than that of the United States and France put together, is it not?

Mr. CROWTHER. You may be correct; I do not have the figures.

Mr. CHINDBLOM. We know that England imports a large amount of goods.

Mr. CROWTHER. Since 1929, 32 countries have gone off the gold standard. Of course, they have reduced their costs, and most of that has occurred since the tariff act of 1930. Our customs officials have estimated that the number of men thrown out of work is 200,000 in the deep-sea fishing alone in this country, or a total of 1,000,000 for the entire country. The Ways and Means Committee in its recent report in the House of Representatives on the beer bill said that for every man put to work in capital industry, three other men were put to work elsewhere.

Mr. Hearst, in his "Buy American" plan says an average wage of 60 cents an hour is paid to factory workers. Thus for an 8-hour day it would be \$4.80. Let us see what this means, if a million people were employed.

In the first place, because of the deduction that three men would be employed for one in capital employment elsewhere, we would have to raise that 1,000,000 to 4,000,000. That would solve two-fifths of our unemployment problem. In dollars and cents that means a total of \$5,760,000,000 in yearly wages.

Suppose that estimate of 60 cents an hour is high; if you cut it in half, there is \$2,880,000,000, or \$9,600,000 a day wages that are being lost in this country as the result of paralyzed industry through the competition of imported goods into this country at prices that are absolutely impossible for the American manufacturer to compete with.

There has been imported something like 10,000,000 yards of cotton floor covering into this country. I have here a rug that was made in Belgium. These rugs are being sold in our stores to-day. It is a very attractive thing. It is advertised as being of oriental design. That rug is made entirely of cotton. There is not a thread of wool in it, and it is sold with one profit at wholesale at something less than 70 cents in Belgium. It is made entirely of cotton, yet the fiber and fabric to the average woman who purchases these commodities appears to be very much like wool, and they think it is a splendid rug. At Atlantic City I have seen people buy them and bid as high as \$12 or \$15 for a 4 by 6 size, due to the alluring description by the auctioneer, and roll them up on a bamboo pole and carry them away, thinking they had bought oriental rugs. They could have bought a rug of the same size and material in a department store for \$6.95.

One of the local stores here in Washington carried an advertisement of "Imported Angora orientals, \$1.95" for this size rug. That is sold at one profit at wholesale for less than 70 cents. This one that is made in this country is not quite as heavy, and it sells for \$1.25. It will probably wear nearly as long. There is not quite as much material in it. That is more of an oriental pattern than the foreign-made one. This advertisement read "Imported Angora orientals," and the advertisement carried a little asterisk over the word "Angora*." That is a very unusual thing to find in a newspaper advertisement.

We often see it in statistical tables, but it is unusual in a newspaper ad; so I looked a little farther down, and here was the corresponding asterisk underneath the price, and in letters smaller than 8-point type it said "cotton Angora." That saved them from fraudulent advertising. If the Speaker of the House were here, he would bear me out that there is no such material known as cotton Angora. The name Angora is associated with goats and with wool; and there is produced from the Angora goat a very silky type of wool, and it differs from sheep's wool in the fact that it will not felt as will ordinary wool, but it can be used for every other type of fabric. So they were selling these rugs as imported Angora orientals, and every thread in them is cotton. It is hard to believe until you look at it and feel of it. If any Member knows anything about rugs, he will know it is not a chenille rug, although it is called so in the advertisement. It is cotton plush and is woven on a plush loom. I have here an American-made rug. I promise you there is not a fiber of wool in it. Millions of square yards of that kind of fabric have come into the country in the last year. More than \$6,000,000 worth, at depreciated currency values, is on its way now to this country. The carpet and

rug mills in my territory are running from two days to two and one-half days a week. That is the way they are running all over the country. While these are cheap products, they fit this period when money is scarce, and they serve as a floor covering and just displace that much yardage of substantial wool rugs and carpets that should be made by our own people.

For 14 years, since I have been a Member of this House, ever since the first speech I made, I have been advocating this slogan that has become so popular in the last two or three weeks, "Buy goods made in the United States of America." Time and time again I have advocated that on this floor. How long do you think that pay envelopes can be passed out on Saturday night and our activities continued in industrial plants if our own people refuse to use the things that our own American workmen make in our own factories?

We had a colleague sit at table with us the other day who bought 12 Christmas presents at an average cost of \$5 apiece. When he got home and wrapped them up in fancy paper, he noticed the foreign mark on one of them and then he looked at the other 11. Not one of the 12 was made in the United States. They were made in England; they were made in Czechoslovakia; they were made in Italy; they were made in Germany; they were made in Japan.

The yen has gone from 50 cents down to 19. The pound from \$4.86 down as low as \$3.20 and lower. So what happens? We have a condition that not only makes a new cost differential for the American manufacturer to compete with, but we lose money at the customs house on every invoice that is adjudicated there.

Mr. KETCHAM. Will the gentleman yield?

Mr. CROWTHER. I yield.

Mr. KETCHAM. Is it the gentleman's purpose to include in his statement a list of articles that are coming into American markets that are affecting our own industrial situation, identical with that of rugs?

Mr. CROWTHER. I shall put them all in. I have them here. Also the percentage of increase in imports.

Now, there are increases also from the gold-standard countries: Braid for straw hats, 474.5 per cent; cattle hides, wet and salted, from Italy, 42.9 per cent. Now, in spite of a duty on cattle hides of 10 per cent there has been an increase. Likewise an increase in the case of edible gelatine, 306 per cent; inedible gelatine, an increase of 2,000 per cent; candy, 525 per cent; cotton cloth, 40 per cent increase; cotton quilts and bedspreads and cotton flooring, 1,351 per cent, including such as I have exhibited to you; Portland cement, 331 per cent increase, and you remember what a cry there was when we placed a duty of 6 cents a hundred pounds on Portland cement; sheet iron and steel, 399 per cent; hoop or band iron, 198 per cent; scroll iron, 93 per cent—all from Belgium, which is a gold-standard country, and yet they are able to scale the tariff wall very easily. Pig iron, 482 per cent, and glycerin, 95 per cent, from Holland. Clothing wool, from British South Africa, 1,061 per cent increase, and now off the gold standard.

FROM COUNTRIES OFF THE GOLD STANDARD

Customs collectors' figures recently made public by the Treasury Department, comparing certain imports for the first eight months of 1931 with the first eight months of 1932 from countries which have gone off the gold standard, are of startling significance. I alluded to the virtual wiping out of our deep-sea fishing industry. Listen to the increases of imports of fish from depreciated-currency countries for the first eight months of 1932 as compared with the first eight months of 1931:

	Per cent
Sardines, Portugal.....	100.48
Cod and other salted and pickled fish, Denmark.....	3,729.8
Pickled fish, Norway.....	156.9
Fish in air-tight containers.....	58.3
Salmon, fresh or frozen, Japan.....	2,511.8
Tuna and other fish in oil.....	558.9
Cod and other salted and pickled fish.....	123.2
Fish in air-tight containers, Canada.....	4,669.9
Clams in air-tight containers, Canada.....	131.9
Fish, Mexico.....	80.7

This is not a complete list and, as is natural, considering our tremendously reduced aggregate national income, there are some reductions; but this avalanche of importations, coming on top of this depression, has just about wrecked our great fishing industry. Beaufort and Morehead City, N. C., are especially hard hit. Carteret County, in which they are situated, has recently defaulted on its county banks.

I shall comment on a few of the other large increases on importations during the same period. New York is a cheese State. Cheese is down in price, and coincidentally the increase in importation of one kind of cheese from Denmark is 136.3 per cent.

We have many American factories making wrapping paper, but the increase in importation of such paper, other than kraft, from Sweden is 615.9 per cent.

The iron miners on the Mesaba Range, Minn., expect no more than 10 per cent of operation during 1933, and lessees are allowing valuable leases, on which they have spent hundreds of thousands of dollars, to go back to the lessors; yet importations of pig iron increased as follows: From Sweden, 181 per cent; United Kingdom, 611.3 per cent. These increased imports are caused not only by depreciated currencies, but by the fact that the rate on pig iron in the tariff act of 1930 is too low. This is shown by the fact that imports of pig iron from Holland, a gold-standard country, increased 482.9 per cent.

New York manufactures shoes. Imports of footwear with fabric uppers from Japan increased 129.7 per cent, and of men's and boys' boots and shoes from the United Kingdom 30.7 per cent. New York manufactures buttons; imports of ocean pearl buttons from Japan increased 117 per cent. Combs, except metal, another New York product, face an increase of 220.1 per cent from Japan. New York also has a leather district. Imports of belting and wetting leather from the United Kingdom are up 105.7 per cent; goat and kid leather from the United Kingdom, 157.3 per cent.

At Amsterdam and throughout the Mohawk Valley New York has woolen mills. Wool and other yarns from the United Kingdom have increased 221.2 per cent. Other increases of interest to New York are—inlaid linoleum, United Kingdom, 82.3 per cent; Portland cement, United Kingdom, 271.6 per cent; and candy and confectionery, United Kingdom, 219.7 per cent.

Paterson, N. J., is a silk center. Silk fabrics over 30 inches, not jacquard and figured, are imported from the United Kingdom with 212.4 per cent increase.

Long-staple cotton from Egypt and British India, but trans-shipped from the United Kingdom, has increased 1,128.1 and 1,283.1 per cent. These large increases are giving southern cotton planters real concern.

The agricultural schedule in the tariff act of 1930 was unanimously planned to be adequate. Still dried pears from New Zealand increased 477.3 per cent; while from Canada came the following increases: Fresh pork, 237.9 per cent; hams, 157.9 per cent; cream, 200 per cent; dried milk, 125.5 per cent; and from Mexico, dried beans, 80.7 per cent. From Argentina came cattle herds increases to 173.6 per cent.

These increased imports are the direct result of the depreciated currencies of the several exporting countries. They certainly displaced American labor and gave an idea why customs authorities believe that depreciated currencies have put 1,000,000 Americans out of work.

There is no political significance in correcting a condition due to depreciated currencies in other countries. It simply means making our tariff law mean what it says, pending whatever action the new administration takes after it comes in power on March 4.

Democrats and Republicans are all Americans first, and no American wants to see American labor continue to lose \$9,000,000 daily because of bad currency conditions in other countries. In 1894 when there was another hard depression the Democrats controlled the Senate and the House as they will again after March 4. They faced depreciated currency legislation then.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. I yield.

Mr. CHINDBLOM. Does the gentleman from New York think this country would be benefited by the adoption of a competitive tariff of which we heard so much a few months ago?

Mr. CROWTHER. Oh, no. What hope is held out to us by my colleagues on this side of the House?

If it is still the purpose of my Democratic friends to participate in an international economic conference for the adjustment of tariff rates with the intention of facilitating trade relations and increasing the flood of foreign imports, then it seems to me that the logical thing to do is to reestablish the rates of the 1930 act which have become ineffective as a result of depreciated foreign currency.

Under existing conditions foreign nations are not experiencing the slightest difficulty in scaling our tariff wall. The element of protection which my Democratic friends have fought against from time immemorial no longer exists in the Hawley-Smoot law. "The unconscionable rates and the insurmountable tariff barriers" that made sweet morsels for the tongues of the campaign orators are conspicuous by their absence.

Why go into an international conference with nothing to trade? I am reminded that Will Rogers once said, "We never lost a war and we never won a conference." [Laughter.]

Mr. CAMPBELL of Iowa. Mr. Chairman, will the gentleman yield?

Mr. CROWTHER. I yield.

Mr. CAMPBELL of Iowa. Does not the record show that regardless of the fact that all these importations are coming in there has been the least exportation of wheat and pork that has been in the last 15 years?

Mr. CROWTHER. That is true, and yet 1921 was the greatest grain-exporting year that we ever had in this country, and the price never was lower up to that time.

This problem of depreciated currency is not a new subject. In 1920 when the Underwood-Simmons bill was the tariff law of the land you had this same condition. It was estimated then by Members of the House and by customs experts who studied this subject that as a result of depreciated currency the Underwood tariff bill was going to lose \$60,000,000 in revenue; and the prediction turned out to be true.

Our customs revenues are fading out of the picture so rapidly that we must legislate on this subject; and I appeal to the chairman of this committee, the gentleman from Mississippi [Mr. COLLIER], and the leader on this side of the House, my good friend the gentleman from Illinois [Mr. RAINEY]. He has always opposed the protective-tariff policy, but I hope he will look with kindly eye upon this depreciated currency bill.

And I believe that the gentleman from Arkansas [Mr. RAGON], who is a leading member of the committee, could do something to help us secure consideration of H. R. 13999.

Let me repeat that depreciated currency is just like a dagger in the bowels of industry.

I have a great many letters here on this subject and I am going to place a few of them in the RECORD.

Mr. RAGON. Will the gentleman yield?

Mr. CROWTHER. I yield to the gentleman from Arkansas.

Mr. RAGON. It would be instructive to the House if the gentleman would give us, as briefly as he can, a practical illustration of just what he would like to see done.

Mr. CROWTHER. I would like to see the terms of the Hill bill carried out.

Mr. RAGON. I have not read the Hill bill. How does it operate?

Mr. CROWTHER. Roughly, the principle involved is that we should collect our duties on the par value of the currency at the same rates laid down in the tariff bill of 1930, and collect what we intended to collect under the law before these 40 countries ran away from the gold standard and left

us holding the bag. We are the international sucker in this whole program that is now going on.

Mr. PATMAN. Will the gentleman yield for a question?

Mr. CROWTHER. I yield.

Mr. PATMAN. I would like to ask the gentleman if his problem really is not the currency in our country rather than the tariff. The tariff would now be effective as the gentleman wanted it to be when it was passed, were it not for the fact that our currency is appreciated, and when the gentleman refers to the depreciated currency of other countries he is really referring to the appreciated currency of our own country and the problem is really one of the currency more than of the tariff.

Mr. CROWTHER. The problem before us is the depressing effect of depreciated foreign currency on our American industries. I know the gentleman has his own ideas about how the currency problem can be corrected. I do not agree with his plan to expand the currency. As far as I would be willing to go would be to have the Fisher plan of a flexible gold standard, provided it is workable. I think that plan has some merit in it, and let me tell you about that. I asked Professor Kemmerer, of Princeton, if we should adopt that principle, whether we could do it without having an international conference, and he said we certainly could not; that we would have to consult the rest of the world in order not to disturb American values abroad and foreign values here. Then I asked Professor Fisher, of Yale, the same question. I asked him, if we decided to adopt his method of a flexible gold standard, whether we could do it alone or whether we would have to have an international conference, and Professor Fisher said that "that is the one thing we could do alone." So you see these economists are as far apart as the poles on the practicability of these various methods of expanding the currency.

Mr. Chairman and gentlemen of the committee, this is one of the serious problems that confronts us in this short session. It warrants our earnest consideration and speedy action. It is not a Republican problem nor a Democratic problem, and it should be solved with only one end in view, the retention of the American market for American producers.

[Here the gavel fell.]

Mr. CROWTHER. This letter was submitted to me by the gentleman from Ohio [Mr. SEIBERLING]:

AKRON, OHIO, January 9, 1933.

HON. FRANCIS SEIBERLING,

Second National Building, Akron, Ohio.

MY DEAR CONGRESSMAN SEIBERLING: Last fall you were very receptive and sympathetic and promised to do everything in your power to remedy the situation that we described to you in regard to beach balls, and I know you will want to use every effort to stop a recurrence of the beach-ball invasion in other lines.

At the present time there are being offered to the American trade bathing caps to be imported from Japan. It is very difficult to obtain samples as the importers who are handling these goods are evidently fearful that the officials at Washington will take steps to stop their importation when the facts are brought to their attention, and, of course, this is just what we hope will take place. We have been able to secure sample caps offered by Japanese manufacturers through jobbers to dealers at \$10.80 per gross, f. o. b. New York, whereas our manufacturing cost only on identically the same caps is \$15.95 per gross. Were we to add distribution cost we would have to sell our caps for practically twice the amount of the Japanese caps to break even, and incidentally we have the reputation of being the lowest-cost American manufacturer in this as well as in a great many other lines of rubber.

We are also informed from good authority that Japanese manufacturers are planning to send to this country water bottles, fountain syringes, nursery supplies—such as crib sheets, rubber diapers, and so forth—in fact, everything in the accessory line, and should this importation be extended to these lines, which we have every reason to believe will happen within the next few months, it will have the effect of practically closing down the entire sundries division of our business and will throw out of permanent employment at least 1,000 people.

Regardless of the views which anyone may have on tariff as an economic question, I should think the feeling would be universal that a country adhering to the gold standard, such as we are, must take some steps to protect its citizens against the invasion of goods from countries who have abandoned the gold standard. Taking such steps would be merely putting the manufacturers and labor of our country in the same general competitive status that existed prior to about two years ago, when many of the important countries of the world abandoned the gold standard. The existing tariffs were enacted when currencies of the principal countries with whom we deal were approximately at par. This

means in the case of the Japanese yen that it was worth approximately 50 cents, whereas it has for some time lately been worth approximately 20 cents. In other words, in addition to the advantage of poorly paid labor and low living standards which Japan has over us they have an additional advantage due to a shrinkage in their currency valuation of approximately 60 per cent. It is this latter condition which makes it absolutely impossible for American manufacturers to compete with Japanese manufacturers and puts us absolutely at their mercy. Under present conditions any article that they are able to make they can ship into this country and take just so much of the markets as they care to.

In an endeavor to correct this situation there has lately been introduced in the House bill 13999 by Representative HILL, of the State of Washington. The bill describes itself: "To prevent loss of revenue, to provide employment for American labor, and to maintain the industries and agriculture of the United States against the effects of depreciation in foreign currencies," and it provides that in addition to the rate of tariff which is prescribed as such in the tariff act that there be an additional tax put on foreign importations equal to the per cent of shrinkage in currency valuation from the normal or nominal valuation if the foreign currencies were on a gold-standard basis.

We believe and people who have studied the matter closely advise us that this bill is the best and most economically sound of a number which have been introduced into Congress to endeavor to accomplish the same purpose. We are, therefore, calling it to your attention and urging that you do everything in your power to have the bill reported out of the Ways and Means Committee and then to have it favorably acted upon when it comes up for a vote. We are advised that there will be a hearing of the bill within the next 10 days or so.

Sincerely yours,

THE B. F. GOODRICH CO.
JAS. J. NEWMAN,
Assistant to the President.

BANGOR, ME., January 9, 1933.

HON. FRANK CROWTHER,
Member of the House Ways and Means Committee,
Washington, D. C.

DEAR SIR: After giving careful thought and consideration to the bill in Congress known as H. R. 13790, entitled "An act to provide revenue to provide employment for American labor and to encourage the industries and agriculture of the United States by compensating for depreciation in foreign currencies," I respectfully solicit your support of same. The vicious importation of foreign goods on the low rates of exchange are demoralizing to our local markets and industries. I feel that this bill will tend to curb same to the benefit of all concerned.

Respectfully yours,

C. T. SPEAR, Merchandise Broker.

BELOIT, WIS., January 9, 1933.

HON. FRANK CROWTHER,
House of Representatives, Washington, D. C.

DEAR MR. CROWTHER: We are gravely concerned about the disastrous effect upon our economic situation of the depreciated foreign currencies, which have in some cases destroyed the effect of tariffs on imports. This country is undoubtedly suffering very severely on this account by greatly increasing unemployment and damage to American industries, capital as well as labor, and decreased revenue to the Government. The bill introduced by Mr. HILL of Washington, providing legislation to compensate for the depreciated currencies, in our judgment would fairly meet the situation, and we most earnestly ask that you give it your support.

We can think of nothing more vital to the welfare of the people of this country than to prevent the importation of goods which can be made in this country with the facilities and labor available, and there is nothing we believe of greater importance than to put our unemployed back to work.

Other countries, Canada, France, and others, took immediate action after England went off the gold standard to protect their home fires by suitable action to prevent importations resulting from lower prices arising from depreciated currency.

This country is faced with an emergency, and to save itself it must act without much further delay to stop the destructive effect of buying abroad those things which should be made in this country.

Will you please let us know what your attitude will be on this bill, and we would appreciate an expression of your opinion as to whether or not this bill can be put through and made effective in the near future.

Yours very truly,

BELOIT IRON WORKS,
By E. H. NEESE, President.

CARLISLE, PA., January 11, 1933.

MR. FRANK CROWTHER,
Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: We understand there is to be offered in the House of Representatives bill H. R. 13999 to protect American manufacturers against damage done by imports from countries with depreciated currencies.

We can not urge you too strongly to support this bill or any other with similar provisions. Our market has been practically

destroyed by the rugs coming from Japan, and during the year just past our production was cut 75 per cent from the year before, when Japan was on a gold standard.

The imported rugs have affected us for the past several years, but the worst blow was when Japanese currency became so depreciated.

If we were on a good basis with the Japanese, it would be possible to give immediate employment to practically all the men we have been compelled to lay off during the past year, because the market for rugs of our kind is just as good as formerly.

We would be glad to know your attitude in this matter, as we are trying to do all possible to assist in saving the American rug industry.

Very truly yours,

TODD CARPET MANUFACTURING CO.
R. K. TODD.

LOCKPORT, N. Y., January 10, 1933.

HON. FRANK CROWTHER,
Washington, D. C.

DEAR REPRESENTATIVE CROWTHER: At least one-third of the people now out of employment are in this condition owing to foreign-made goods supplanting in this market the usual American-made article. This condition is continuing and growing more acute on account of the great advantage accruing to those countries now having depreciated currencies. In most cases these depreciated currencies more than offset our present tariff rates. We can not get these people back to work until these foreign advantages are canceled.

We urge the enactment of the law of the bill proposed by Representative HILL, of Washington, bill H. R. 13999, to bring about this much-needed correction.

Formerly this mill manufactured about 25 per cent of the dish towels used in the average home. To-day our looms are idle and we are manufacturing no dish towels. Above 500 people in this industry are affected. Surely American-used dish towels should be made by American labor, as they have for a great many years past, and not by the labor of British, German, and other foreign countries.

Your aid in this matter is most earnestly solicited.

Respectfully yours,

NIAGARA TEXTILE CO.,
H. L. RANSOM, President.

AMSTERDAM, N. Y., January 11, 1933.

Congressman FRANK CROWTHER,
House of Representatives, Washington, D. C.

DEAR SIR: With reference to your statement of the 10th instant, as quoted in the Amsterdam Evening Recorder of that date, concerning the unfair foreign competition which the American rug manufacturer is up against on account of insufficient tariff protection, perhaps you will recall that back in November, 1931, we wrote you at length on the subject, explaining that we were finding it almost impossible to build up our business owing to the competition of imported goods.

Since that time conditions have become steadily worse. Not only have low-priced floor coverings continued to come into the country in ever-increasing volume but our foreign competitors are working into the higher-priced fields with cotton, wool, silk, and rayon pile fabrics until the larger domestic producers are thoroughly alarmed.

Of course American manufacturers of low-priced floor coverings such as rag, fiber, and cotton rugs of the different weaves and textures have been practically driven out of business, as testified by their representatives before the Tariff Commission several weeks ago. What effect, if any, their protest has had we have not been able to find out. We know, however, that the manufacturers of lower-priced floor coverings will be only too glad to combine with those making higher-priced fabrics in presenting their protest and presume that the Rug Institute will see that this combination of forces is effected. Certainly it is important to all of us that immediate and favorable action be taken if we are to continue in business, and we hope it will be possible to put through some kind of a revision before March next.

From the success of your efforts to gain protection for the glove manufacturers of this district several years ago and because of your recognized standing and ability in Washington we feel certain that, with the proper cooperation of rug and carpet manufacturers, you, if anyone, will be able to secure adequate protection for the rug industry.

Very truly yours,

AMSTERDAM TEXTILES,
F. V. W. BLOOD, President.

NASHVILLE, TENN., January 12, 1932.

MR. FRANK CROWTHER,
Schenectady, N. Y.

DEAR SIR: We want to bring to your attention a very pressing matter affecting the interests of the American people. In recent months we have received through our brokerage connections many complaints of a ruinous competition forced upon American industry by foreign nations. This competition arises chiefly from the product of those nations whose currency has been greatly depreciated. It is very probable that many citizens of the United States have not begun to realize the dire results to this country if foreign nations are permitted to ship goods into this country manufactured by pauperized labor and which labor has been paid

in a depreciated currency. This situation was brought glaringly before the American people in a recent article in the Saturday Evening Post and received special comment as an editorial by that journal.

We are not attempting to advise our Senators and Congressmen what the remedy should be to curb this menace to American industry, but we are telling them that it is a serious and growing menace and eating like a cancer at the very heart of the life of American business, and immediate action should be taken by Congress, not only to alleviate, but to bring speedy and prompt action for relief.

The most recent case that has come under our observation has been a complaint from the Westgate Sea Products Co., of San Diego, Calif., who are packers and shippers of tuna fish. In their recent letter to us they state that Japan, by reason of their depreciated currency, is shipping large quantities of their tuna fish into the United States at ridiculously low prices. It is further stated that the export of Japanese tuna fish to the United States during the first eight months of 1932 increased 558 per cent as compared to the same period in 1931.

The damage done to the tuna-fish industry by this competition is almost infinitesimal as compared to the damage that is being done to many and varied industries located throughout the country.

We appeal to you to give this matter your prompt and serious consideration, to the end that needed relief can be brought about by the next Congress.

Yours very truly,

MORGAN BROS. CO.,
H. D. HUNDRION,
Wholesale Merchandise Brokers.

SAN DIEGO, CALIF., January 12, 1933.

HON. FRANK CROWTHER,
Representative of New York, House Office Building,
Washington, D. C.

MY DEAR CONGRESSMAN: To-day unemployment is at its height, and is increasing. All American industries, which have foreign competition, are being rapidly undermined due to unfair conditions brought about by depreciated foreign currency. Specifically our tuna industry is on the verge of ruination. Prompt action is imperative if American industry is to be saved. All that we ask is to be placed in a position where we may be competitive with the foreigner.

We believe the passage of the Hill bill, H. R. 13999, in its present form will correctly and automatically adjust this great difficulty, and we respectfully urge you, as a member of the Committee on Ways and Means, to do all in your power to see that this bill reaches the floor of the House of Representatives in time to be passed there and in the Senate during this session of Congress. It is our belief that this is one of the most important matters before your committee.

Your wholehearted support is earnestly requested and will be greatly appreciated.

Respectfully yours,

WESTGATE SEA PRODUCTS CO.,
PAUL H. STEELE, Sales Manager.

BALTIMORE, MD., January 14, 1933.

HON. FRANK CROWTHER,
Ways and Means Committee, Washington, D. C.

DEAR SIR: As manufacturers of chinaware in the city of Baltimore for the past 85 years, during which time this plant has operated without cessation at any time, we are urged to present before your honorable body the conditions in which we find ourselves, which are utterly beyond our control.

For several years past the pottery industry has shared with all others a difficult situation, but we struggled on, doing our best to meet a situation which was gradually becoming worse.

During the past year we have been dealt a blow which threatens annihilation. We refer here to the importations of chinaware from countries with depreciated currencies. The tariffs assessed on chinaware coming from England, Japan, and certain countries of central Europe fail utterly to protect us, due to the fact that when these importations are paid for in United States currency on the basis of exchange now existing in these countries, that the actual difference runs on each transaction from 25 per cent to 50 per cent less than the basis on which figures in the tariff schedule have been fixed.

We need not tell you that this business is out of the competitive field altogether. It is not competition; it is suicide, and this industry can not exist. It has curtailed the production of chinaware in the United States (latest figures show to 36 per cent of normal). The effect on labor is easily seen—only one-third of the usual workers are now employed.

The pottery business, although not large, is a constant one and is basic. It is not one to come and go. Pottery is as old as the human race and will continue with us until the end of time. Every man, woman, and child uses our products three times a day. It is about fourth on the list in civilized life: Food, clothing, housing, housewares (pottery).

This being so, there is no reason why, if competition were adequately controlled, we could not put back to work full quotas of employees. The nature of the business is such that very little machinery is used; there is possibly no other industry that employs more labor in proportion to its output than ours.

Certainly, immediate legislation such as is before your committee on the House bill H. R. 13999, must be put in force if we are to survive.

Yours very truly,

EDWIN BENNETT POTTERY CO.
GEORGE A. BAUER, Vice President.

NEW YORK, January 12, 1933.

HON. FRANK CROWTHER,
Ways and Means Committee of the
House of Representatives, Washington, D. C.

DEAR SIR: As you are on the Ways and Means Committee in the House of Representatives, and before you comes up the bill H. R. 13999, a bill "to prevent loss of revenue, to provide employment for American labor, and to maintain the industries and agriculture of the United States against the effects of depreciation in foreign currencies," I wish to give you a few facts pertaining to the importation of foreign goods and the harm it has done to my company.

We are in the business of manufacturing decorative Christmas-tree outfits and various other specialties. We started in 1926 and we used about 18,000,000 small lamps for decorating Christmas trees. The business was going very nicely; we reached a point in the year 1930 where we had consumed almost 60,000,000 of such lamps.

We employed in our factory several hundred people for almost 300 days of the year. We have paid fairly good taxes to the Federal Government, also to the State. We have maintained and complied with all the regulations and laws of the State of New York and kept our people very happy.

In the last two years since Japan started to export these lamps to the United States and due to the deflation of their currency, they have shot our business to pieces. We haven't employed one-third of the people we employed in 1929 or 1930. We were compelled to cut our salaries to such an extent that it was pitiable. With all that we haven't made a cent in the last two years; we haven't been able to pay any dividend and to-day we are sitting in our office worrying what we are going to do with the people we still have. Are we going to keep them or discharge them?

If we knew that the Government is going to protect us against the dumping of Japan, we are quite reasonably certain that we can employ our people again and lay our plans so that we wouldn't have to discharge anybody. Please realize it is impossible to compete with Japan even if there should be a gold standard. They pay their girls 13 to 15 cents a day. You appreciate we can not commence to think of such wages.

We never had a better protection on lamps than 20 per cent duty, but since they went off the gold standard and with the development of their industries, and the extent of their dumping, we are either compelled to close up or look to relief by protection from our Government.

Respectfully yours,

JAS. BLOCK,
NOMA ELECTRIC CORPORATION.

SHEBOYGAN, WIS., January 11, 1933.

CONGRESSMAN FRANK CROWTHER,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN: As business conditions require legislative action to help lift the depression, it is evident that the earlier the remedy is applied, the earlier will the benefits be produced.

Our attention has been called to H. R. 13790 designed to offset the effects of depreciated currencies of foreign countries as against that of our currency. It appears to us that this feature is so overwhelmingly important under present conditions that it should have your most serious consideration and we trust that you will give this bill, H. R. 13790, your support for passage.

Yours very truly,

C. A. REISS COAL CO.,
C. A. REISS.

GRAND RAPIDS, MICH., January 10, 1933.

HON. FRANK CROWTHER,
House Office Building, Washington, D. C.

HONORABLE SIR: The Grand Rapids Association of Commerce, representing the industrial, commercial, and civic interests of this metropolitan community of more than 200,000 persons, a manufacturing city of many diversified industries making more than 500 different kinds of products, sincerely recommends to your favorable consideration the passage of H. R. 13999, known as the Hill bill, "to prevent loss of revenue, to provide employment for American labor, and to maintain the industries and agriculture of the United States against the effects of depreciation in foreign currencies," which, we understand, is now before your committee, and we respectfully urge your support for this bill.

This action is taken after thorough consideration of the reports of manufacturers of this city in regular meeting of this organization and after a canvass of wholesale and retail outlets to check reports of manufacturers.

A number of individual instances were reported by manufacturers in which prices have been depreciated by the influx of foreign goods having an advantage of depreciated currency. Instances were quoted of loss of business which was near successful completion as a result of indirect influence upon the production of other manufacturers of products which are being imported under the advantage of depreciated foreign currencies, and a

number of our manufacturers are confident that a control of imports from countries having depreciated currencies would have a favorable effect upon production and employment in their industries.

After thorough consideration of these facts and the recommendations of the manufacturers' committee of this association, the board of directors makes this appeal upon behalf of all manufacturers of the United States who find themselves in similar circumstances.

Respectfully,

GRAND RAPIDS ASSOCIATION OF COMMERCE.
ALEX. T. MCFAYDEN, Secretary.

DULUTH, MINN., January 13, 1933.

HON. FRANK CROWTHER,

House of Representatives, Washington, D. C.

HONORABLE SIR: We have been producers and jobbers of pulpwood and cross-ties in this market for the past 25 years and are taking the liberty to write you relative to House bill 13999, now before the Ways and Means Committee for consideration, as the passage of legislation of this character is of vital importance to the pulpwood industry in our country.

The price of our pulpwood on a f. o. b. loading-point basis has declined approximately 66% per cent since 1929, so that now even at the low cost at which our wood could be produced, we are not able to compete with prices at which our mill connections are securing wood or sulphite from foreign sources. At least one-half of this decline has occurred since the abandonment of the gold standard by foreign wood-producing countries.

Production in Minnesota at present is about 10 per cent of the previous 10-year average, which condition is substantiated by our record of sales, which have fallen from 19,000 cords in 1930 to 1,000 cords during 1932.

It is estimated by the trade journals that the paper mills in the United States ran at an average of 58 per cent of capacity during 1932, which would indicate that a very large per cent of their requirements were purchased abroad. There is an ample supply of standing timber suitable for pulpwood in northern Minnesota, which for many years would take care of the requirements of the mills that ordinarily buy in this market.

There are now at least ten to twelve thousand men in Minnesota out of full or part time employment for reasons above given, and in our own case we have been forced to dispense with the services of our entire organization and have conducted no pulpwood operations during the past year.

The passage of this bill, we believe, would be of material assistance in restoring the unemployed in the industry and would also develop revenue of which the Federal Government is in great need. Know you are well aware that the countries with depreciated currencies, whose pulpwood and sulphite are now coming into the United States, are not countries from whom war debts are due.

We earnestly ask your support of this measure.

Yours very truly,

CURRY & WHYTE CO.,
By E. N. WHYTE, President.

GREEN BAY, WIS., January 13, 1933.

HON. FRANK CROWTHER,

Ways and Means Committee, Washington, D. C.

DEAR CONGRESSMAN: I am calling attention to a bill recently introduced into Congress, H. R. 13999, having for its purpose the imposition of a tax on imports from depreciated-currency countries equal to the difference between the value of the dollar and the value of depreciated currency of exporting countries; said bill being designated as "A bill to prevent loss of revenue, to provide employment for American labor, and to maintain the industries and agriculture of the United States against the effects of depreciation in foreign currencies."

Equalization measures similar to those long in vogue in foreign countries must be adopted to preserve domestic markets for American agriculture and industries and American jobs for American workers.

It is useless for me to submit statistical data in support of this legislation, appreciating that you are accessible to information showing the result of debased currency of foreign nations on our economic life.

We stress the importance of favorable consideration to the bill above referred to.

Yours very truly,

HOBERG PAPER & FIBRE CO.,
J. M. CONWAY, President.

PESHIGO, WIS., January 6, 1933.

HON. FRANK CROWTHER,

House of Representatives, Washington, D. C.

DEAR SIR: There is before the Ways and Means Committee of the House for consideration House bill (H. R. 13790) to provide revenue, to provide employment for American labor, and to encourage the industries and agriculture of the United States by compensating for depreciation in foreign currency.

Our interest in this measure lies primarily in the fact that the present disparity in exchange enables foreign sulphite manufacturers, with their cheap labor, to underquote domestic producers to such an extent that a number of Wisconsin sulphite mills have already been closed down. We have reduced our cost of manufacture as far as it is physically possible to do so, consistent with

the reasonable wage scale, but in spite of these economies we are now faced with the absolute necessity of importing foreign sulphite and closing down our sulphite mill if we are to continue competing in the paper industry.

Now, the enactment or final defeat of this bill should naturally be based on specific facts and not hypothetical theories such as harvesting cherries without a cherry orchard. Our company operates both a sulphite plant and paper mill. The sulphite plant involves a capital outlay of only \$500,000, and the demolishing of this capital value is insignificant compared to what a closed mill would mean in lost labor when computed in its back kick to the raw materials grown on American soil.

Specifically, the city of Peshtigo, with 1,500 inhabitants, would lose an annual pay roll of \$120,000, plus \$15,000 in taxes and the support of the men losing their jobs. The men engaged in logging operation of wood cut in the forests of northern Wisconsin and the upper peninsula of Michigan (these men are now on the verge of starvation) would lose \$200,000. The coal mines would be deprived of \$50,000 revenue, with its further back kick to American labor. The power company would lose \$36,000 annually, with its corresponding back kick. The sulphur mines, plus transportation over American railroads, would lose \$75,000 annually. The chlorine manufacturers, plus cost of transportation, would lose \$60,000 annually, and the back kick this would have.

Other materials, repair parts, etc., amount to about \$60,000 a year. In addition to all this the railroads would lose approximately \$100,000 for transportation of pulpwood and other items not recorded above, making a grand total of better than \$800,000 annually, which would absolutely disappear in thin air with the closing of our sulphite mill; and all this can be rightfully interpreted as a loss to the American workman, not only here but in all parts from where we draw our supplies. This amount is based on to-day's depreciated level of commodity prices, and if values were normal it would increase the sum mentioned by at least 25 per cent. All of this would result because of the closing down of an insignificantly small sulphite plant in northern Wisconsin.

In giving you this information we are not actuated by selfish motives, because if our sulphite plant did close down we would still have a paper mill and could buy foreign pulps at a cost considerably below our own cost of manufacturing this article, and we would then be on an equal basis with any other paper mill in the United States which is not producing its own sulphite. There is only one solution to stem this pending economic loss, i. e., by the proper exercising of the powers invested in you to enact proper protecting legislation to offset the evils of depreciated foreign currency. We do not ask for a protective tariff but merely the enactment of such remedial measures as will restore the cost ratio to conditions existing before our foreign competitors went off the gold standard.

The only other alternative for us is to reduce our labor costs, and the cost of all materials used, to an equal level of like commodities in the competing foreign countries, and it certainly is not necessary for me to explain in detail to intelligent men what this would mean, or to remind you that the real blow falls on the American workman and his family, who is earning his daily bread by hard, honest effort.

If in your heart you have any interest for American humanity, let your action and decision be the answer.

Cordially yours,

BADGER PAPER MILLS (INC.),
By E. A. MEYER.

PHILADELPHIA, January 11, 1933.

HON. FRANK CROWTHER,

House of Representatives, Washington, D. C.

HONORABLE SIR: On account of the reduced rate of exchange in countries supplying finished linen thread and cotton fish netting, it has become necessary, practically to close our plants in Philadelphia, Chicago, Baltimore, and Gloucester, throwing hundreds of our citizens out of work. This emergency requires corrective legislative measures immediately if our industry is to live.

Our companies consume over a million pounds of cotton yearly, which production is now lost to the southern cotton growers and to the mills from whom we buy, resulting in unemployment at these sources of supply.

We have studied the bills proposed to give relief to American industry, from this condition, and we favor the bill No. 13999.

In the interest of the families dependent for a living on our factories and in the interest of the large capital invested in these plants we strongly urge the immediate enactment of this bill.

Very truly yours,

R. J. EDERER THREAD CO.,
L. B. EDERER, President.

PHILADELPHIA, PA., January 13, 1933.

HON. FRANK CROWTHER,

House of Representatives, Washington, D. C.

DEAR SIR: As every manufacturer in the United States whose product is similar to, or generally interchangeable with, a product made in a foreign country, we are vitally concerned over the effect on the United States tariff of depreciated currencies so extensively in use in foreign countries.

The application of ad valorem duties under the provisions of the tariff act of 1930 on importations from foreign countries, in which the currency has depreciated, reduces the tariff protection per unit of imported merchandise by the percentage of the depreciation.

Electric storage batteries are produced in the following foreign countries:

England, whose currency has depreciated over 31 per cent; Sweden, whose currency has depreciated over 32 per cent; Spain, whose currency has depreciated over 57 per cent; Japan, whose currency has depreciated over 58 per cent; Mexico, whose currency has depreciated over 36 per cent; Canada, whose currency has depreciated over 11 per cent; France, whose currency is not now depreciated; Belgium, whose currency is not now depreciated; Italy, whose currency is not now depreciated; Germany, whose currency is not now depreciated.

The export business of this company has been practically eliminated by the competition from makers of foreign countries whose currency has depreciated.

Foreign competition in the United States from such countries, if permitted to develop under present conditions, will have the effect of curtailing the market for our products and lead to reduction in employment. No exact estimate of the extent of such reduction can be made, but it is reasonable to assume that it will be substantial.

We respectfully urge you to support H. R. 13999, or any other similar measure to maintain the industries in the United States against the effects of depreciation in foreign currencies.

Respectfully,

THE ELECTRIC STORAGE BATTERY Co.,
By JOHN R. WILLIAMS, President.

Mr. WRIGHT. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD of Georgia. Mr. Chairman, I want to take this opportunity to discuss briefly the present lamentable mortgage-foreclosure situation. I have been for a long time and am more and more distressed as every day's mail brings me many, many letters from people in my district, telling me of the foreclosures which are taking place and pleading with me and pleading with Congress for some relief from this awful menace. For more than two years I have plead with Congress for relief along this line.

Many bills have been introduced for this purpose, and it is not my intention at this time to criticize any of these bills. I am in thorough accord with the purpose of every one which seeks in some way to stop the present orgy of loan foreclosures. Our people are entitled to immediate, effective relief.

I want to get across to this Congress, however, one idea which I think is worth while; and I shall feel that my 14 years in Congress have not been in vain if I can impress this one idea on the Congress, so that, after I retire on the 4th of March next, some one here will remember this one suggestion and will endeavor to see that it is carried into effect in the legislation which may be passed after the 4th of March.

I hope we may pass legislation along this line before the 4th of March, but I now fear we shall not; and I may add it should have been passed years ago; it should have had precedence over all other legislation.

I want to impress on the Congress the idea of working out some plan whereby we can handle the loan-foreclosure situation in its entirety, in mass, as a general situation to be cured by the legislation which is passed. When the bill is passed I want it to be most effective.

Too often we pass legislation here which does not really help the farmer. For instance, the home loan bank act was passed presumably for the purpose of saving the homes of the Nation. Many of the farmers believed when this bill became law that they would be able to borrow money and save even the homes on the farms.

Of course, the people who lived in the cities believed that this bill would enable them to refinance their homes and stop the loan foreclosures which were then pending, but when the bill was passed and went into effect the farmers and other home owners found that the machinery was too cumbersome, too expensive, that there was too much red tape connected with it, and it was almost impossible for a man who had a home, either in the city or in the country, where a loan foreclosure was pending, to get money and stop the foreclosure.

We appropriated during the first part of last year \$125,000,000 for the Federal land banks of the country. The newspapers carried the statement that this appropriation of \$125,000,000 was turned over to the Federal land banks for the purpose of stopping the loan foreclosures which were then pending in connection with the farms of the country.

I regret exceedingly that the Federal land banks used this money for the most selfish reasons and not as intended by Congress. I plead with Congress not to appropriate that money without the most positive instructions that every cent of it be used for refinancing and extending farm loans. I feared it would not be used as intended by Congress.

Very little of that money was used for that purpose. I am pleading with Congress to provide some method so that this entire matter can be handled and not leave it to the individual farmer to apply for his loan.

Suppose you passed a bill turning a large amount of money over to the Reconstruction Finance Corporation, or some other agency if you do not like the Reconstruction Finance Corporation, so that a man when his mortgage is to be foreclosed may go to the Reconstruction Finance Corporation and borrow enough money to pay the interest on his loan or pay the taxes in connection with his loan.

The chances are very great that that individual farmer will never make application for a loan. There should be some method worked out whereby a sufficient amount of money would be made available and then some governmental agent or official should be authorized and required to get in touch with the long-term loan concerns and readjust, refinance, and get renewed or extended all distressed loans about to be foreclosed.

Mr. BANKHEAD. Will the gentleman yield?

Mr. LANKFORD of Georgia. I yield.

Mr. BANKHEAD. That would involve a secondary organization in addition to the Reconstruction Finance Corporation, when you mention long-term loans. Is it the gentleman's proposal that the Reconstruction Finance Corporation shall loan directly to the farmers to prevent foreclosures?

Mr. LANKFORD of Georgia. No; I call the gentleman's attention to the fact that when the Reconstruction Finance act was pending before Congress a year ago I offered an amendment to authorize the Reconstruction Finance Corporation to buy from insurance companies and to buy from banks past-interest coupons held by those companies, provided the banks and insurance companies would enter into a proper agreement with the Finance Corporation to extend the loans.

That has always been my idea, and if that was adopted we could handle the matter more easily by going to the John Hancock Mutual Insurance Co.—which by the way, made many loans in my district—and negotiate with them for extending the loans.

Mr. BANKHEAD. Suppose they would not extend the loans? Suppose they said they had no more money to put into farm loans?

Mr. LANKFORD of Georgia. They have their money already invested in farm loans and real-estate loans and are about to foreclose because the interest has not been paid. What I want is to have the corporation buy those interest coupons from them, possibly without recourse, without having them indorsed, thereby securing the loan from the Finance Corporation without the farmer doing it individually.

Mr. BANKHEAD. I misunderstood the gentleman. The gentleman refers to those insurance companies who have mortgages on real estate and farm property and are about to foreclose?

Mr. LANKFORD of Georgia. Yes; it is a scheme to stop the foreclosures now taking place. The gentleman will remember that during the World War the War Finance Corporation act contained the very idea which I like so much. It provided that money should be loaned to banks on notes and other forms of indebtedness taken by the banks for agricultural purposes.

I was very happy to offer an amendment to the War Finance Corporation act, which was adopted by Congress and became law, providing that the banks of the country should also make loans to the banks on paper given by the farmer to merchants, to supply concerns, and other financial institutions, and rediscounted with the bank.

The War Finance Corporation act provided that the money must go direct into the pockets of the individual farmer before it was ever loaned to the bank. In that case a small farmer who wanted to borrow \$50 or \$75 or \$200, who was not able to hire a lawyer to take the matter up with the War Finance Corporation in Washington, could go to the bank, and the bank would take his application, and another man would come in for \$50 or \$75 or \$200, or whatever the amount might be, and another and another and so on, until finally it would amount in all to \$25,000 or \$40,000, or whatever the amount might be, and the bank then would apply for a loan from the War Finance Corporation and get the loan and distribute it amongst the people in the country. That act provided a method of approach.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. WRIGHT. Mr. Chairman, I yield the gentleman one minute more.

Mr. GLOVER. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD of Georgia. Yes.

Mr. GLOVER. Does not the gentleman believe that a great deal of this distress that is coming to our people because of the foreclosure of mortgages can be taken care of by legislation in the States, where they could pass an act denying the equity courts the right to foreclose a man's equity when they foreclosed his mortgage, and give him a period of, say, five years for the purpose of redemption of his property under the mortgage?

Mr. LANKFORD of Georgia. Oh, yes; a great deal of help may come to the people from the State legislatures, but, independent of that, I want to impress on Congress the fact that whatever legislation is passed for the farmer must provide some method of approach. You may provide a way in which the farmer can make application for \$60, \$300, \$480, or other small amounts to pay his interest, but the item is too small, there is so much red tape that it is hard for him to approach the throne of financial grace, and he loses his land. Congress must approach it for the farmer through the insurance company or through the Federal land banks or through some other organization along the line established by the War Finance Corporation during the Woodrow Wilson administration.

Let me say to my good friend from Arkansas [Mr. GLOVER] that I appreciate to the fullest extent the suggestion made by him and am in fullest accord with the idea that our State legislatures can do much in this connection. It is time for the friends of the farmers everywhere to act, and at once, if our farmers are to be saved.

The general assembly of my State is now in session; Gov. Eugene Talmadge for a long time served faithfully and well as our commissioner of agriculture, is a true friend of the farmers, and I confidently predict that he and the Georgia Legislature will take speedy action to help to the fullest extent in the solution of this awful loan-foreclosure problem, in so far as Georgia is concerned.

It is our duty here to do all we can nationally to the end that with Federal aid and State aid, and cooperation of all concerned, we may be able to save the homes of the farmers.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

Mr. WRIGHT. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. HARE].

Mr. HARE. Mr. Chairman, supplementing the statement made by the gentleman from Georgia [Mr. LANKFORD] with reference to foreclosure of mortgages, my observation for the last year or two is that foreclosures of farm mortgages by insurance companies have not been as great as foreclosures by the Federal land banks and joint-stock land banks. While I would not want to enter into an argument objecting to the gentleman's scheme, I think, in view of the relationship between Congress and the institutions referred to, it would be very fortunate if this Congress could enact legislation that would in some way prevent the foreclosure of farm mortgages by these banking institutions.

At the last session we passed the Reconstruction Finance Corporation act, and we were told at the time provision would

be made whereby the banks would be able to secure funds to pay the interest on their bonds and delay the foreclosure of mortgages. We thought at the time that this would be of some assistance to those farmers who were unable to meet their payments, but my information is that very little has been done, particularly by the joint-stock land banks, for there seems to be no let-up in their foreclosures during the past year.

My purpose in rising at this time, therefore, is to invite the attention of the committee to a bill now on the calendar, H. R. 8167, and urge that it be given immediate consideration. This bill provides that the Federal land banks and the joint-stock land banks shall be required to accept their bonds in satisfaction of mortgages when presented by a mortgagor. It is not my purpose to go into the details, with the limited time allotted to discuss the merits of the bill, because I know many Members have been importuned by their constituents to support the bill, and I am sure most of you are familiar with its provisions. It is now on the calendar, and we are going to ask for a special rule for special consideration. The question raised by some in opposition to the bill is that of its constitutionality.

I have asked for these few minutes of the committee's time to cite some of the authorities to show that the proposed legislation would not be in violation of the Constitution. And I am glad to note the presence of the gentleman from Alabama [Mr. BANKHEAD], a member of the Rules Committee, who is an able lawyer and a man who always likes to know the real merits of a proposition before reaching a final conclusion.

The question raised by the banks is that if we pass this bill, it will require them to accept bonds in satisfaction of a mortgage when, under their contract, the mortgagor is required to pay the same in United States currency or coin and to require the banks to accept anything else except currency or coin would amount to an impairment of the obligation of a contract. They rely upon Article I, section 10 of the Constitution, which reads as follows:

No State shall enter into any treaty, alliance, or confederation; grant letters of marque and reprisal; coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts; pass any bill of attainder, ex post facto law, or law impairing the obligation of contracts, or grant any title of nobility.

My position is that this provision of the Constitution applies solely to the law-making bodies of the States and not to the Congress of the United States. In support of this position we note the following in Twelfth Corpus Juris, paragraph 594:

The prohibition of laws, impairing the obligation of contracts is expressly directed at State action and does not apply to Congress, which may pass laws directly, or indirectly impairing the obligation of contracts.

The most recent decision noted directly in line with the thought expressed is found in the case of *Nortz v. Miller* (285 Fed. Rep. 778), where the plaintiff was claiming that certain rights under a contract had been abridged or impaired by an act of Congress known as the trading with the enemy act, as amended by the act of June 5, 1920, saying the act was in violation of the Constitution. However, the court held otherwise and stated in its opinion:

But if, under any view, it should be thought that any impairment of contractual obligation has resulted, that fact can not avail the plaintiff. Congress can, and often has, without impinging upon any constitutional guaranty, impaired the obligation of contracts which, when made, were binding upon the parties thereto.

The case of *Mottley v. Louisville & Nashville Railroad Co.*, (219 U. S. 467) shows that Mottley and his wife sustained personal and permanent injuries as a result of a collision of trains on the tracks of the railroad company. One of the considerations given by the railroad company in satisfaction of damages was a written agreement that Mottley and his wife were to receive a pass on the lines of the railroad company and all connecting lines during their lifetime. The pass was received and used until the passage of the act of Congress June 29, 1906, making the use of passes on railroad trains illegal except to certain specified

persons. The Mottleys did not come within the excepted classes. The railroad company refused to honor or grant additional passes to the Mottleys on the ground that it was forbidden to do so by the act of Congress referred to. The Mottleys went into the courts to enforce their contract on the ground that Congress, under the Constitution, had no right to enact a law impairing the obligations of a contract.

In its decision the court quoted with approval the following opinion, which had been rendered long before this case was decided:

As in a state of civil society, property of a citizen is ownership, subject to the lawful demands of the sovereign, so contracts must be understood as made in reference to the possible exercise of the rightful authority of the Government, and no obligation of a contract can extend to the defeat of legitimate Government authority.

Proceeding in its opinion the court said:

The agreement between the railroad company and the Mottleys must necessarily be regarded as having been made subject to the possibility that, at some future time, Congress might so exert its whole constitutional power in regulating interstate commerce as to render that agreement unenforceable or to impair its value. That the exercise of such power may be hampered or restricted to any extent by contracts previously made between individuals or corporations is inconceivable. The framers of the Constitution never intended any such state of things to exist.

The principle involved in the legal tender acts is quite similar to that raised in opposition to this bill. There Congress provided that the United States Treasury notes when presented would be considered legal tender in the payment of debts and other obligations to the same extent as if they were gold or silver coin. It was the contention of many that such a law was unconstitutional for the reason it impaired the obligation of a contract in that it required a person holding a contract payable in gold or silver coin to accept something else, probably of less value, in payment. They insisted that a creditor who held a contract payable in gold or United States coin, if required to accept currency in satisfaction of claims, would be accepting a lesser amount than was actually due, saying that currency or United States notes had no value as compared with gold, and that Congress by the passage of such an act impaired the obligations of a contract in violation of the spirit, if not the letter, of the Constitution of the United States. They urged further that the legal tender acts violated the fifth amendment to the Constitution, which prohibits the taking of private property without due process of law.

This latter objection has been raised by some of the opponents to this bill, but it is so far fetched I think it may be disposed of by quoting part of the opinion of Justice Strong in *Knox against Lee*, and *Parker against Davis*, United States Supreme Court Reporter 20, 287, where he says:

Closely allied to the objection we have just been considering is the argument pressed upon us that the legal tender acts were prohibited by the spirit of the fifth amendment, which forbids the taking of private property for public use without just compensation or due process of law. That provision has always been understood as referring only to a direct appropriation and not to consequential injuries resulting from the exercise of lawful power.

Quoting further from the opinion of Justice Strong in the legal tender cases, we find the following:

Nor can it be truly asserted that Congress may not, by its action, indirectly impair the obligation of contracts if by the expression be meant rendering contracts fruitless, or partially fruitless. Directly it may, confessedly, by passing a bankrupt act, embracing past as well as future transactions. This is obliterating contracts entirely. So it may relieve parties from their apparent obligations indirectly in a multitude of ways. It may declare war, or, even in peace, pass nonintercourse acts, or direct an embargo. All such measures may, and must, operate seriously upon existing contracts, and may not merely hinder, but relieve, the parties to such contracts entirely from performance. And it is no sufficient answer to this to say it is true only when the powers exerted were expressly granted. There is no ground for any such distinction. It has no warrant in the Constitution or in any of the decisions of this court.

Proceeding further the opinion of the court in the legal-tender cases was thus summarized:

By the act of June 28, 1834, a new regulation of the weight and value of gold coin was adopted, and about 6 per cent was taken from the weight of each dollar. The effect of this was that all creditors were subjected to a corresponding loss. The debts then

due became solvable with 6 per cent less gold than was required to pay them before. The result was thus precisely what it is contended the legal tender acts worked. But was it ever imagined this was taking private property without compensation or due process of law? Was the idea ever advanced that the new regulation of gold coin was against the fifth amendment? It is said, however, now that the act of 1834 only brought the legal value of gold more nearly into correspondence with its actual value in the market, or its relative value to silver. But we do not perceive that this varies the case or diminishes its force as an illustration. The creditor who had a thousand dollars due him on the 31st day of July, 1834 (the day before the act took effect), was entitled to a thousand dollars of coined gold of the weight and fineness of the then existing coinage. The day after, he was entitled only to a sum 6 per cent less in weight and in market value, or to a smaller number of silver dollars. Yet he would have been a bold man who had asserted that because of this the obligation of the contract was impaired, or that private property was taken without compensation or without due process of law. * * * We are not aware of anything else which has been advanced in support of the proposition that the legal tender acts were forbidden by either the letter or spirit of the Constitution.

But, without extending our remarks further, it will be seen that we hold the acts of Congress constitutional as applied to contracts made either before or after their passage. In so holding, we overrule so much of what was decided in *Hepburn v. Griswold* (75 U. S. 19-513) as ruled the acts unwarranted by the Constitution, so far as they apply to contracts made before their enactment.

Mr. McSWAIN. Will it interrupt the gentleman if I ask him a question?

Mr. HARE. No. I shall be glad to yield to the gentleman.

Mr. McSWAIN. I would like to ask the gentleman if there is any difference between the proposal contained in the bill to which he refers, known as the Hare bill, from the universally accepted proposition in Anglo-Saxon jurisprudence, at least, that counterclaim and set-off of one contract obligation may be had by another contract obligation?

Mr. HARE. I think the principle suggested by the gentleman is identical, because the bill provides that the bond will not be honored unless presented by the mortgagor himself. If the mortgagor is the holder of bonds amounting, we will say, to \$10,000, and the bank holds a mortgage given by the farmer in a corresponding amount, it is easy to see that the bank owes the farmer just as much as the farmer owes the bank, and both obligations mature at or about the same time. If one should be made a set-off against the other I am unable to see where either would be injured, but may be to the benefit of both.

Mr. BANKHEAD. Will the gentleman yield?

Mr. HARE. I shall be glad to yield to the gentleman.

Mr. BANKHEAD. I know there is a very popular misconception on the part of laymen, particularly with reference to the correct interpretation of the power of the Federal Government relating to impairing the obligations of any contract, but any lawyer, of course, who is familiar with the Constitution, will never be disturbed very much, because it is so plain in its phraseology that anybody can understand it who reads it. It relates to an inhibition against the power of the States to pass any law impairing contracts.

Mr. HARE. Yes.

Mr. BANKHEAD. Now, getting back to the gentleman's original proposition, I do not think it is necessary for the gentleman to undertake to convince anybody about the correctness of his legal attitude. When this matter was before the Rules Committee for consideration, I do not think the committee was disturbed so much by this phase of it as they were by the question of whether it were a wise thing, as a matter of public policy, as affecting the interest of the holders of these bonds, to offer this inducement for what might appear as a repudiation of the par value or face value of them in the open market. What has the gentleman to say about that?

Mr. HARE. I am very glad to learn that there is no doubt in the mind of the gentleman from Alabama that the proposed legislation is constitutional, because this is probably the paramount objection raised by the banks and the Federal Farm Loan Board. In reporting to me their position on this bill last March, the Federal Farm Loan Board stated, in part:

The views of the Treasury Department and of the Federal Farm Loan Board on this question were embodied, as you will recall, in a letter written by the Secretary of the Treasury on February 21,

1931, to the chairman of the House Banking and Currency Committee in response to a request by that committee for a report on the provisions of H. R. 16300, which was introduced by you. As was stated in the letter of the Secretary of the Treasury, mortgages taken by the land banks from their borrowers constitute contracts between the borrowers and the banks, and likewise farm-loan bonds of each bank are obligations of such bank to the holders thereof and the bank's contract is to pay them when due or when called. It would seem very doubtful whether Congress legally could amend such existing contracts and adopt legislation depriving the banks of their right to require legal tender from borrowers in payment of loan obligations.

Therefore, in view of this opposition, I think it deserves some consideration. However, in view of the authorities cited, I am quite sure the gentleman is correct in saying his committee is not disturbed as to this phase of the bill.

Now, as to the wisdom of this legislation, it will be necessary to review the facts and conditions upon which favorable consideration is requested. I am quite sure most Members are familiar with the distinction between Federal land banks and joint-stock land banks and the difference in the manner in which they are operated. However, we should probably state that the capital of the Federal land banks was originally subscribed by the Treasury Department; but as each borrower was required to apply a certain per cent of his loan toward the capital stock of the bank, practically all of the original stock has been returned to the Treasury. Furthermore, loans from these banks are obtained through duly organized associations for this purpose, whereas the capital stock in joint-stock land banks is subscribed by individuals and loans are made direct to individuals. Applications and requirements for loans are quite similar in both the Federal and the joint-stock land banks. When applications are received and approved in either, bonds are issued and sold, the proceeds from the sale, less a certain amount for expenses, are advanced to the borrower, the bank taking a mortgage of his farm as security. The money obtained is to be repaid under the amortization plan over a period of about 30 years. According to the last report of the Federal Farm Loan Board, upward of \$2,600,000,000 has been loaned to farmers since the establishment of the land-bank system in 1916, and during this time more than 50,000 mortgages have been foreclosed because of failure of borrowers to meet their amortization payments.

For the past few years the number of foreclosures have increased very much on account of the business depression. Land values have decreased to the point where the market value of the land in most cases is much less than the amount due on the mortgage. The market value of outstanding bonds has decreased proportionately, or possibly more, particularly bonds of joint-stock land banks, where the mortgaged property is the only security back of each loan. In the Federal land banks the mortgaged property is not only liable for the loan but the association through which it was obtained is also liable. Consequently, the market value of Federal land-bank bonds has not decreased as much as the bonds of joint-stock land banks. Too, I think we should state here that in case of Federal land banks, where a borrower defaults in his amortization payment, the association of which he is a member may go into the market and purchase bonds issued by the mortgagee bank and the bank is required to accept such bonds in payment of the amount due or in satisfaction of the mortgage. This contingency is provided for in the original Federal land bank act as to Federal land banks but does not apply to joint-stock land banks.

The purpose of this bill is to make the same principle applicable to joint-stock land banks and go a little farther by requiring both banks to accept their bonds in satisfaction of mortgages when presented by a mortgagor. Under existing law a joint-stock land bank, which is more of a private institution than the Federal land banks, may foreclose a mortgage, sell the land, purchase its own bonds with the proceeds, and make a profit by the transaction that was never contemplated in the original act.

To illustrate: A borrower makes an application and obtains a loan for \$10,000, and the bank issues and sells bonds

on the basis of the mortgage obtained in the amount of \$10,000. The amount of the annual amortization payment is about \$700, or \$350 semiannually. The borrower makes his payments for a period of five years or more, and then on account of circumstances over which he has no control he is unable to meet his amortization payment when due. According to the practice in my State, the bank proceeds immediately to foreclose the mortgage and sell the land. The balance due on the mortgage and expenses incident to the foreclosure amount, we will say, to \$8,500. The land is put up and sold, we will say, for \$4,500. The proceeds are turned over to the bank or the bank may become the purchaser for much less. The bank then goes into the market and buys \$10,000 worth of its bonds, we will say again, for \$2,500, for that has been about the price in my State for the past year or more. The bank will then retire the full amount of these bonds. Now what has happened? The bank has wiped out its entire indebtedness or outstanding obligations arising out of this particular transaction with a \$2,000 profit and a judgment against the borrower for \$4,000. The borrower assumed as much liability or risk when he gave the mortgage as the bank did when it assumed its liability on the bond. The borrower is not responsible for the depreciation in the value of his land; he is no more responsible for the depreciation in the value of the bond than the bank itself. Then why should not the borrower have just as much right to go into the market and buy these bonds to liquidate his indebtedness as is now accorded the bank, because if the borrower is accorded this privilege he can do nothing more than liquidate his debt, but the bank can not only liquidate its indebtedness but has the chance of making unwarranted and unjustified profits at the expense and financial destruction of the borrower and his family. Of course the procedure of the banks is permissible under the law, but the policy is unconscionable, and this Congress should take immediate action on this bill and give the borrower an equal right with the banks to discharge his obligations.

Furthermore, the attitude of the banks toward the borrower following foreclosure and sale of his land in my State has been anything but commendable. Before an application for a loan is approved the bank officials must be convinced that the property offered as security is worth at least twice as much as the amount of the loan approved. In addition, the moral risk of the borrower must be considered good or excellent, and his reputation as a successful farmer must be established beyond a reasonable doubt. However, as soon as he fails to meet a payment on his mortgage, although it may be through no fault of his own, the land is sold and the bank officials consider him so shiftless, unreliable, and worthless they will not allow him to remain on the farm as a tenant. In other words, he was considered a successful farmer six or eight years ago, and this conclusion is reached after a representative of the bank had visited and made a careful and personal study of the man's ability and capacity; but when crop failures come as a result of droughts, excessive rains, or storms and are followed by low crop prices, this same man is considered unfit to be a tenant, even though he may have sufficient horsepower and farm equipment to continue his operations in such a way as to be able to pay the taxes and prevent further depreciation in the value of the farm. The bank requires the family to move out and generally, at some expense to the bank, allows the land to grow up in weeds, or turns it over to another less capable to carry on the farming operations. Such a practice results in compounding the loss to the borrower and an increased expense to the bank. It is a bad policy, both from the standpoint of the borrower as well as the stockholders of the institution.

This bill does not in any way influence the holders of these bonds to sell or dispose of them; it does not affect their value in any way, unless by an increased demand for the bonds there would be an increase in their market value, and certainly there could be no objection to that on the part of the bondholders or the banks. Instead of having the effect of repudiating the par value or face value of the bonds, the effect would be the reverse in that their market

value would be increased and the stability of the bank strengthened and made more secure.

The CHAIRMAN. The time of the gentleman from South Carolina [Mr. HARE] has expired.

The CHAIRMAN. The Clerk will read the bill.

The Clerk read down to and including line 7 on page 1.

Mr. WRIGHT. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose, and the Speaker having resumed the chair, Mr. DRIVER, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee having had under consideration the bill H. R. 14199, the War Department appropriation bill, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. GILLEN, for one week, on account of important business.

To Mr. BOEHNE, indefinitely, on account of important business.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—PUERTO RICO

The SPEAKER laid before the House the following message of the President, which was read, and, with the accompanying papers, referred to the Committee on Insular Affairs:

To the Congress of the United States:

As required by section 23 of the act of Congress approved March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes," I transmit herewith certified copies of each of five acts and one joint resolution enacted by the Twelfth Puerto Rican Legislature during its fifth special session, from November 11 to 16, 1932.

HERBERT HOOVER.

THE WHITE HOUSE, January 14, 1933.

ABOLISH FEDERAL TRADE COMMISSION

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting my testimony before the Committee on Appropriations on abolishing the Federal Trade Commission.

Mr. STAFFORD. Mr. Speaker, reserving the right to object, I think it is questionable practice to incorporate in the RECORD testimony before the committees of Congress.

Mr. PATMAN. I would not ask it ordinarily, but the testimony is very short and I did not extend my remarks at all. It will require very little space. Ordinarily I would not make this request, but I think the membership will find this matter interesting.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, permission having been heretofore granted, I am inserting my testimony before the Appropriations Committee against an appropriation for the Federal Trade Commission, for the year ending June 30, 1934.

The committee denied the request to eliminate the appropriation entirely but did reduce the amount considerably under previous appropriations. Instead of the committee allowing \$1,466,500, the amount expended this year, or \$1,109,550, the amount recommended by the Budget for the year 1934, it recommended \$510,000 for the year ending June 30, 1934. This is a reduction of \$986,500 under the 1933 appropriation and \$599,550 below the Budget estimate.

TUESDAY, JANUARY 10, 1933.

FEDERAL TRADE COMMISSION ACTIVITIES—STATEMENT OF HON. WRIGHT PATMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

DUPLICATION OF WORK OF OTHER BUREAUS

Mr. WOODRUM. Mr. PATMAN, we will be glad to hear you at this time.

Mr. PATMAN. Mr. Chairman and gentlemen of the committee, I appreciate this opportunity of appearing before the committee.

I have a statement I want to make that I believe the members of the committee will be interested in.

The Federal Trade Commission has commenced a procedure that is in violation of the law creating the commission. It should be abolished entirely. I do not have a copy of the law before me, and I presume that you gentlemen would not like to go into that fully at this time. However, you can be convinced if you will take the time to go into it. You will be convinced that practically every act of the Federal Trade Commission is in violation of the law creating the commission. They have set themselves up as a board, claiming to be experts even in such things as bust developments, wrinkle and wart removers, pile cures, the treatment of stomach and bowel disorders, and so forth. It extends even to fortune tellers. They claim to be experts on all of those things.

FRAUDULENT ADVERTISING INVESTIGATION

Mr. HASTINGS. Now, do you want to put into this record, very briefly, some proof in support of that?

Mr. PATMAN. I will be very glad to do that, or disclose it on the floor of the House when the bill is considered. I want to say that the Federal Trade Commission is also duplicating the work that has been done by the solicitor's office of the Post Office Department. It is the duty of the Solicitor of the Post Office Department to prosecute those who are using the United States mails to defraud, but a large part of the work that is done by the Federal Trade Commission to-day is exactly the same work that is being done by the Post Office Department. There you have two bureaus doing identically the same thing, one working against the other, and oftentimes not getting results because one gums up the cards for the other. The Federal Trade Commission has even gone so far as to try to create a commission within a commission to pass upon the mail-fraud cases. They call it fraudulent advertising. They have appointed three lawyers down there, providing them with staffs of stenographers and secretaries. Your bill provides an appropriation of \$27,000 just for that thing, besides the extra expenses that will be necessary.

Mr. HASTINGS. Do you mean for this particular branch of their work?

Mr. PATMAN. Yes; and they are doing there exactly the same work that is being done by the Post Office Department. Of course, that is not all of the expense in connection with that, but I am simply stating the salaries of the particular ones who are at the head of the personnel of that particular division. When they make reports, they go into the other departments of the commission.

Mr. WOODRUM. As I understand it, the Federal Trade Commission claims to be charged under the law with investigations or with initiating investigations of their own, whereas the Post Office Department only takes cognizance of complaints made to it.

Mr. PATMAN. Yes; and the Post Office Department, I am informed, has a 100 per cent record with the courts, whereas the Federal Trade Commission, out of 12 cases that they had up last year before the higher courts, lost 11. Out of 12 cases, they lost 11. Every time the Supreme Court gets a chance at the Federal Trade Commission, it raps it. It has done everything in the power of the court to destroy it, because they know they are not carrying out the intent of the act creating it. The Supreme Court has done what its duty requires it to do. It has tried its best to point out to Congress and the country that they think the Federal Trade Commission is a nuisance. It is absolutely a nuisance. It is not only not doing anything worth while for itself, but it is going around snooping into the business of other boards and commissions.

INVESTIGATION OF UTILITIES

I have here the utility hearings. Without discussing on its merits this proposal to investigate the utilities, there are here 40 volumes of testimony that was taken. The investigation commenced in 1929. The resolution authorizing this investigation was passed in 1929. Four long years have been spent, and I do not know how much money, on this investigation, and to-day the report of the commission is not worth the paper that the report is made on. Why is that? It is because nobody will read that report. The statute of limitations has long since run against any violations of law that have been committed in that respect, and, therefore, of what use will the report be? The Insull bubble burst long before the Federal Trade Commission ever did anything. If grand juries functioned like the Federal Trade Commission does, I do not know how many grand juries it would take in every county in the United States to carry out the business of the people. They do not operate their business in an efficient way, but they are absolutely wasting the taxpayers' money. Now, when these reports go to the Senate and the House, do you believe that the Members will read them? Absolutely not. It will not be possible for them to read them.

COTTONSEED INDUSTRY INVESTIGATION

Now, I have here some hearings that I am very much interested in. Although the resolution did not pass the House, I was partly responsible for its passage. I was consulted about the resolution that was introduced in and later passed the United States Senate. Now, this was a resolution to investigate the cottonseed industry, and I thought we would get a square deal there. I thought that would be a real investigation. That was when I first came in, four years ago. We got that resolution through, and here [indicating] are the volumes of testimony. There are thousands and thousands of pages of it, with large exhibits. These volumes of testimony disclose one violation of law after another. They dis-

close the fact that a few people have entered into a conspiracy to absolutely rob the poor, defenseless farmer who makes just a few bales of cotton. It would make your blood run cold in your veins to know what these volumes contain. But will it ever be known? No; it will not. Why? Because what happened four years ago is not material now. The statute of limitations has run against it now, and if anybody were to try to bring it up now they would say, "That is old stuff and there is no use talking about it."

Of course, you can not prosecute anybody now. Most of the concerns that were investigated have changed their way of doing business a little bit, and while they are probably violating the law now it would take another investigation to disclose the fact. It is absolutely a useless and wasteful expenditure of public funds.

Mr. WOODRUM. What did that investigation cost?

Mr. PATMAN. I do not have the least idea what it cost, but it must have cost a tremendous amount of money.

Mr. WOODRUM. It is all completed, is it not?

Mr. PATMAN. It is practically completed, but they have not made their report yet. When they make that report, what will be done with it if it contains charges of violations of law? They will send all of that bunch of books over to the Department of Justice, and if they do the Department of Justice will kick them out of there. Why investigate something or why go over and read this testimony when the statute of limitations has run against any criminal offense that may have been disclosed?

REDUCTION IN APPROPRIATIONS FOR COMMISSION SUGGESTED

Mr. BOYLAN. What is your remedy for that condition?

Mr. PATMAN. My remedy is to absolutely cut out the appropriation for the Federal Trade Commission. Now, if you do not delete it entirely, leave just enough in there to hold the office down, or to provide caretakers for the office in order that some disposition may be made of it at the special session. I would not appropriate 1 cent on earth for a board that has gone outside of the scope of its authority in such a reckless and careless manner as this commission has.

Mr. BOYLAN. What would you suggest in lieu of this commission?

Mr. PATMAN. Pass criminal laws to meet these situations. We have to-day laws that would prevent such things as these that the commission investigates, but now when we have these violations investigated by the Federal Trade Commission by the time the investigation is finished there is no law by which we can reach them. That is because the statute of limitations has run against the law violations. Of course, they want to be investigated rather than prosecuted. As I have said, we have laws to cover these things, and had it not been for this commission going in there and making out that they were doing something we would have had some prosecutions under the law.

HEARINGS TAKEN BY COMMISSION CONSIDERED USELESS

Mr. HASTINGS. Do those hearings that you have before you there, covering, perhaps, ten or fifteen thousand pages of testimony, show any investigation of current practices?

Mr. PATMAN. They are old, stale, and out of date.

Mr. HASTINGS. They are all old?

Mr. PATMAN. They are all old.

Mr. HASTINGS. There are none current?

Mr. PATMAN. No. Now, while I am intensely interested in this matter I have quit reading these hearings. It is useless to read them. I kept up with the work of the commission for a while, made suggestions to them, and cooperated with them, but I found that they were just dilly-dallying around, wasting public funds. It was repulsive to think that the money of the American people should be spent in such a wasteful, extravagant, and careless manner as that commission was spending it.

Mr. BOYLAN. Do you think that the commission should be abolished?

Mr. PATMAN. Yes; entirely.

Mr. BOYLAN. What concrete suggestion do you have to make with reference to the functions of that commission, or the supposed functions of the commission?

Mr. PATMAN. The supposed function of that commission was a very good one, but they have been diverted from the functions, as disclosed by the messages of President Wilson and as were disclosed by the hearings on the bill creating the commission and also as disclosed by the debates in the House. They have left their chartered course and have gone out trying to do something that they want to do themselves. Before you came in, Mr. Boylan, I showed wherein they were doing exactly the same kind of work that has been done for I do not know how many years by the Solicitor of the Post Office Department in connection with mail-fraud cases. They have even set up a board to look after that work. Of course, it is the duty of the Solicitor of the Post Office Department to look after that work in connection with mail frauds.

Mr. BOYLAN. Do you think there is a duplication of work there.

Mr. PATMAN. Yes; it is a duplication.

Mr. BOYLAN. In other words, this commission is a humbug?

Mr. PATMAN. Yes; it is a humbug, and it is a detriment to the public. It is a detriment to the public and to the general welfare. It is wasting the money of the taxpayers.

Now, I am not making this statement just on the spur of the moment, but I am making this statement after a study of four years. When this resolution went through the Senate to investigate the cottonseed industry, I really thought we would get some-

thing out, but, instead of that, they were an obstacle to justice. They prevented justice being done. They are simply in the way. They are a detriment to the public welfare.

Mr. WOODRUM. Did this resolution to investigate the cottonseed industry pass the Senate in June, 1930?

Mr. PATMAN. Yes; this other one passed in the early part of 1929.

Mr. WOODRUM. Do you mean the resolution for the investigation of utilities?

Mr. PATMAN. Yes.

Mr. WOODRUM. Do all of those volumes that you exhibit here pertain to the cottonseed investigation?

Mr. PATMAN. Yes; they pertain to the cottonseed investigation. All of these forty and some odd volumes pertain to the Power Trust. Many other volumes are coming this way. For instance, they sent a bunch of people down to Dallas, Tex., to hold an investigation of the cottonseed-oil industry. I do not know how long it was after that before I could even get a typewritten copy, or an indistinct copy, from the Federal Trade Commission. It was a long time afterwards. It is months and months before it is published, and then it is years before a report is made.

Mr. BOYLAN. Have you prepared a digest of your findings as a result of your study?

Mr. PATMAN. Yes; I have made a study.

Mr. BOYLAN. It would be very helpful to the committee if we had a copy of that.

Mr. PATMAN. This commission is not only handling work that belongs to the Post Office Department, but most of the work that they do outside of that consists in handling controversies among private companies and individuals.

Now, as to these Federal Trade Commission trade practices conferences, they do not hold them at the request of the public. They do not hold them because of violations of the law and in an effort to protect the public, but they get them together to agree that they will be good and eliminate violations of the law. They hold those conferences because of individual controversies. They hold them because individual controversies demand that they hold them. In other words, they are working for individuals and corporations, and not for the public.

Now, gentlemen, I know that you want to close your hearings to-morrow, but, if you had time to look into this situation, and if you could give it the serious thought and consideration that I know you would like to give it, I do not believe that you would appropriate a dollar for the Federal Trade Commission. I do not know what President elect Roosevelt's policy may be, but if he believes as Woodrow Wilson believed when this act was passed, he will certainly change the policy of the Federal Trade Commission, and put it back to its true original function or intent. Whenever you do that, you can discharge about nine-tenths of the employees down there.

If you gentlemen would like to ask me any questions about it, I will be glad to answer them.

Mr. BOYLAN. I would like to have a copy of that digest you have prepared.

Mr. PATMAN. I have not prepared any particular digest, except the statement I have made, but I will be glad to prepare one and put it in the hearings.

Mr. BOYLAN. That is, a digest that you will prepare as a result of your study of this matter?

Mr. PATMAN. Yes.

Mr. BOYLAN. I think that would be very helpful to us, Mr. Chairman.

Mr. PATMAN. I have even gone back and searched the CONGRESSIONAL RECORD and the hearings on the bill creating the commission, as well as the messages of President Wilson. I know that it was not the intent that the Federal Trade Commission should do what they are doing now.

Mr. HASTINGS. I think it would be helpful if you would put in, not the full messages, but little excerpts from them.

Mr. WOODRUM. You may do that in revising your remarks.

Mr. PATMAN. I will do that, or if I do not have the time to prepare it before the hearings are printed I will disclose it fully to the House when this bill is considered.

INTERSTATE COMMERCE COMMISSION

Now, with reference to the Interstate Commerce Commission, I do not want to put it down on the same plane with the Federal Trade Commission. It is not on that plane, because the Federal Trade Commission is the lowest down commission, from the standpoint of public service, that we have in the Government service. I honestly believe that. I am not reflecting upon any member connected with the commission, or any employee, but so far as the public service is concerned, it is the lowest down commission we have. Now, there is the Interstate Commerce Commission, and the people generally believe that they are passing on railroad freight rates to protect the public. They are not doing that. Last year 11 per cent of the volume of freight that was hauled by the railroads consisted of farm products. Now, how much revenue was paid by those farm products? They paid 19.8 per cent of the revenues of the railroads from freight. The Interstate Commerce Commission merely sets the maximum rates, and then the directors of the railroads who are interested in different businesses and industries get special rates for their own favored industries. They have permitted to be built up in this country, and I presume the Interstate Commerce Commission can not help it under the present law, discriminations and special privileges such as did not exist before the creation of that commission.

Take, for instance, the director of a certain railroad who was interested in the transportation of a certain commodity that was produced in another country even, and he set a railroad freight rate over his railroad that is one-third of the rate that the domestic product would have to pay over this same railroad, under identically the same conditions. There is a big cut that could be made in the case of the Interstate Commerce Commission.

Mr. BOYLAN. Is that a large industry that you referred to?

Mr. PATMAN. I would say it is a large one. I am referring to the Procter & Gamble Co., of Cincinnati. They are interested in cheap cottonseed oil, and they are interested in cheap coconut oil, which is a competing product, not 1 pound of which is produced in America. In order to hold down the price of cottonseed oil they get this special rate from the railroad of which Mr. Procter is a director. That is the rate from Galveston, Tex., to Cincinnati, and, as I have said, that rate is about one-third of what it would be on cottonseed oil for exactly the same service. I have evidence here from the Interstate Commerce Commission.

Mr. WOODRUM. We thank you for your statement, Mr. PATMAN.

DISTRIBUTION OF GOVERNMENT-OWNED COTTON

Mr. FULMER. Mr. Speaker, I present a conference report on the bill (H. R. 13607) to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress for printing under the rules.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 13607) to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2 and 3.

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same.

MARVIN JONES,
H. P. FULMER,
G. N. HAUGEN,

Managers on the part of the House.

CHAS. L. McNARY,
G. W. NORRIS,
E. D. SMITH,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H. R. 13607) to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The bill as it passed the House authorized the use of the cotton which is to be distributed under its authority in providing cloth, wearing apparel, and bedding for the needy and distressed people of the United States and Territories. Senate amendment No. 1 will, in addition, permit such cotton to be used for providing comforters and blankets; and the House recedes.

MARVIN JONES,
H. P. FULMER,
G. N. HAUGEN,

Managers on the part of the House.

Mr. FULMER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report.

Mr. SNELL. Mr. Speaker, I do not think the gentleman should ask for its consideration at this time.

Mr. FULMER. I may say to the gentleman that the bill is just exactly like it passed the House, except one little amendment adding the words "comforters and blankets." The Senate receded on the other amendments.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. SNELL. I yield.

Mr. STAFFORD. I examined this bill with the Senate amendments, and there was one amendment that rather departed from the theory of the bill. The other amendment was a minor one adding the words "comforters and blankets," and I may say to the gentleman that I have given consideration to the bill, and this amendment hardly affects the bill at all.

Mr. SNELL. On general principles I am against bringing up a conference report in this way, but I will withdraw my objection at this time, although as a usual thing I think it should not be done.

Mr. BANKHEAD. If the gentleman will allow me, I think the gentleman is absolutely correct in his general idea about bringing up conference reports in this way, but inasmuch as this is somewhat of an emergency matter and there is no controversy about it I am glad the gentleman is willing to withdraw his objection.

The SPEAKER. Is there objection to the present consideration of the conference report?

There was no objection.

The Clerk read the conference report.

Mr. STAFFORD. Mr. Speaker, may we have Senate amendment No. 1 reported?

The Clerk read as follows:

Senate amendment No. 1: Page 1, line 10, after the word "bedding," insert a comma and the words "comforters and blankets."

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

TELLERS TO COUNT THE ELECTORAL VOTE

The SPEAKER. Under authority of House Concurrent Resolution 44, the Chair appoints as tellers on the part of the House to count the electoral vote on February 8, 1933, the gentleman from New York [Mr. CARLEY] and the gentleman from Massachusetts [Mr. GIFFORD].

ADJOURNMENT

Mr. WRIGHT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.) the House adjourned until Monday, January 16, 1933, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Monday, January 16, 1933, as reported to the floor leader:

MERCHANT MARINE, RADIO, AND FISHERIES

(10.30 a. m.)

Continue hearings on S. 4491, to regulate intercoastal carriers.

LIBRARY

(10.00 a. m.)

Hearings on bills pending before committee.

LABOR

(10.00 a. m.)

Hearings on 5-day week and 6-hour day proposal.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

861. A letter from the Secretary of War, transmitting for the consideration of Congress draft of a proposed bill to authorize the Secretary of War to sell or dispose of the remaining portion of the Pensacola Military Reservation, Fla., and for other purposes; to the Committee on Military Affairs.

862. A communication from the President of the United States, transmitting for the consideration of Congress a supplemental estimate of appropriation pertaining to the legislative establishment, House of Representatives, for the

fiscal year 1934, in the sum of \$12,180 (H. Doc. No. 525); to the Committee on Appropriations and ordered to be printed.

863. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1934 in the sum of \$10,000 for carrying into effect the provisions of the act creating the Mount Rushmore National Memorial Commission, approved February 25, 1929 (H. Doc. No. 526); to the Committee on Appropriations and ordered to be printed.

864. A letter from the Secretary of War, transmitting a report of the Chief of Engineers, pursuant to the rivers and harbors act approved July 3, 1930, on preliminary examination of waterway from Pensacola Bay, Fla., to the Caloosahatchee River, and for a cross-Florida waterway to connect with the Florida East Coast Canal, together with accompanying papers and illustrations; to the Committee on Rivers and Harbors.

865. A letter from the Comptroller General of the United States, transmitting a report, pursuant to the act of March 2, 1927, Forty-fourth Statutes (pt. 3) 1800 with my recommendation thereon of certain claims transmitted to this office by the Secretary of the Navy, covering property damage, death, or personal injury at Lake Denmark, N. J.; to the Committee on Claims.

866. A letter from the Secretary of War, transmitting a report of the Chief of Engineers, pursuant to section 1 of the rivers and harbors act of January 21, 1927, on St. Louis River, Minn. and Wis., together with accompanying papers and illustrations; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WARREN: Committee on Accounts. House Resolution 348. A resolution providing for the payment of six months' salary to the daughter of Thomas M. Holt (Rept. No. 1864). Ordered to be printed.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 10749. A bill to authorize the acceptance of proposed donation of property in Maxwell, Nebr., for Federal building purposes; without amendment (Rept. No. 1870). Referred to the Committee of the Whole House on the state of the Union.

Mr. LANHAM: Committee on Public Buildings and Grounds. H. R. 13521. A bill to transfer control of Building No. 2 on the customhouse reservation at Nome, Alaska, to the Secretary of the Interior; without amendment (Rept. No. 1871). Referred to the House Calendar.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 14201. A bill to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States naval station at Guantánamo Bay, Cuba; without amendment (Rept. No. 1872). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PITTENGER: Committee on Claims. H. R. 2186. A bill for the relief of T. Perry Higgins; with amendment (Rept. No. 1866). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H. R. 5706. A bill for the relief of Myrtle Anderson; without amendment (Rept. No. 1867). Referred to the Committee of the Whole House.

Mr. GUYER: Committee on Claims. H. R. 11590. A bill to authorize the waiver or remission of certain coal-lease rentals, and for other purposes; with amendment (Rept. No. 1868). Referred to the Committee of the Whole House.

Mr. SCHAFER: Committee on Claims. H. R. 13262. A bill for the relief of Marie Toenberg; without amendment (Rept. No. 1869). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 11535) for the relief of Walter Kaszubski; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

A bill (H. R. 12952) for the relief of Paul DeWitt Brown; Committee on Military Affairs discharged, and referred to the Committee on Naval Affairs.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. OLIVER of New York: A bill (H. R. 14240) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. WICKERSHAM: A bill (H. R. 14241) to provide for appeal or writ of error from final judgments in the District Court of Alaska to the United States Circuit Court of Appeals; to the Committee on the Judiciary.

By Mr. BUSBY: A bill (H. R. 14242) to provide for the issuance of United States bonds to be used as security for the issuance of Federal reserve notes, and to provide for the use of such notes; to the Committee on Ways and Means.

By Mr. VINSON of Georgia: A bill (H. R. 14243) to authorize an increase in the limit of cost of one aircraft carrier; to the Committee on Naval Affairs.

By Mr. McSWAIN: A bill (H. R. 14244) to authorize the Secretary of War to acquire 5 acres of land, more or less, opposite the Mobile National Cemetery, Alabama, for use as an addition to said cemetery, and for other purposes; to the Committee on Military Affairs.

By Mr. DICKSTEIN: A bill (H. R. 14245) to amend section 1 (a) of the act of March 2, 1929 (45 Stat. 1512), entitled "An act to supplement the naturalization laws, and for other purposes"; to the Committee on Immigration and Naturalization.

By Mr. McSWAIN: A bill (H. R. 14246) to authorize the Secretary of War to sell or dispose of certain surplus real estate of the War Department; to the Committee on Military Affairs.

By Mr. BLAND: A bill (H. R. 14247) enlarging section 270, title 40, United States Code, and providing and relating to a remedy for the enforcement of the payment of all wages due and to become due to all laborers and mechanics under the terms and provisions of an act approved March 3, 1931, entitled "An act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and subcontractors," and for other purposes; to the Committee on the Judiciary.

Also, a bill (H. R. 14248) enlarging section 270, title 40, United States Code, and providing a remedy for enforcing the payment to laborers, mechanics, and their assignees of all wages due and to become due to laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and subcontractors under the provisions of an act entitled "An act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors, subcontractors, and for other purposes," approved March 3, 1931, and for other purposes; to the Committee on the Judiciary.

By Mr. SUMMERS of Washington: A bill (H. R. 14249) authorizing an appropriation for further surveys and clearing the right of way of the Mount Adams Highway on the Yakima Indian Reservation, Wash.; to the Committee on Indian Affairs.

By Mr. McLEOD: A bill (H. R. 14250) to authorize the Reconstruction Finance Corporation to make loans to States, municipalities, and political subdivisions of States for the

construction, improvement, or maintenance of public streets and highways; to the Committee on Ways and Means.

By Mr. MILLIGAN: A bill (H. R. 14251) to provide for the appointment of an additional district judge for the eastern and western districts of Missouri; to the Committee on the Judiciary.

By Mr. STEAGALL: A bill (H. R. 14252) to extend the time during which certain provisions of the act of February 27, 1932, relating to improving the facilities of the Federal reserve system to meet the needs of member banks in exceptional circumstances, shall be effective; to the Committee on Banking and Currency.

By Mr. FISH: Resolution (H. Res. 351) requesting the President to submit reports to the House of Representatives in regard to certain loans made by the Reconstruction Finance Corporation; to the Committee on Banking and Currency.

By Mr. BLAND: Resolution (H. Res. 352) authorizing appointment of special committee for the purpose of investigating the alleged failure of the executives of the various departments of the United States, their subordinates and other officials, to carry out and enforce the provisions of Public Act No. 798, Seventy-first Congress, approved March 3, 1931, entitled "An act relating to the rate of wages for laborers and mechanics employed on public buildings of the United States and the District of Columbia by contractors and other subcontractors, and for other purposes"; to the Committee on Rules.

By Mr. FISH: Joint resolution (H. J. Res. 556) authorizing an appropriation to enable the United States to send an educational exhibit and for the expenses of official delegates to the Fifth World's Poultry Congress to be held at Rome, Italy, September 6-15, 1933; to the Committee on Foreign Affairs.

Also, joint resolution (H. J. Res. 557) authorizing and requesting the President to extend an invitation to foreign governments to be represented by delegates at the Sixth World's Poultry Congress to be held in the United States in 1936 and to participate in the educational and live-bird exhibits of the congress; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CELLER: A bill (H. R. 14253) for the correction of the naval records of service of the officers and sailors who served during the war with Spain on the steamships *St. Louis*, *Yale*, and *Harvard*, and for other purposes; to the Committee on Naval Affairs.

By Mr. CRAIL: A bill (H. R. 14254) for the relief of M. C. Carnicle; to the Committee on Naval Affairs.

By Mr. FINLEY: A bill (H. R. 14255) granting a pension to Ovid L. Page; to the Committee on Pensions.

By Mr. GAMBRILL: A bill (H. R. 14256) for the relief of Irwin D. Coyle; to the Committee on Naval Affairs.

By Mr. GASQUE: A bill (H. R. 14257) granting a pension to Edgar R. Joyner; to the Committee on Pensions.

By Mr. JENKINS: A bill (H. R. 14258) granting an increase of pension to Elizabeth R. Stewart; to the Committee on Invalid Pensions.

By Mr. TARVER: A bill (H. R. 14259) for the relief of Lula A. Densmore; to the Committee on Claims.

By Mr. WEST: A bill (H. R. 14260) granting an increase in pension to Jennie Kinney; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

9576. By Mr. CONDON: Petitions of Margaret B. Arnold, Frederick F. Beauvais, Florence A. Bridges, and 195 other citizens of Rhode Island, protesting against any repeal or

modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9577. Also, petition of John Kelly, James A. Rochford, Thomas J. Gorton, and 275 other citizens of Rhode Island, protesting against any repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

9578. By Mr. CULKIN: Petition of Local No. 45, International Brotherhood of Paper Makers, Deferiet, N. Y., urging a tariff on wood pulp and pulpwood for the protection of the pulp and paper industry of this country; to the Committee on Ways and Means.

9579. Also, petition of the Phoenix Woman's Christian Temperance Union, Phoenix, N. Y., protesting against any change in the eighteenth amendment or the Volstead Act, and urging adequate appropriations for law enforcement; to the Committee on the Judiciary.

9580. By Mr. DELANEY: Petition of the Railroad Employees and Taxpayers Association (Inc.), of Richmond, Va., and vicinity, urging the Government to support the railroads to the fullest extent by giving them its business whenever possible; to the Committee on Interstate and Foreign Commerce.

9581. Also, petition of the Navy Post No. 16, of the American Legion, opposing a reduction of the number of the personnel of the United States Marine Corps, and the curtailment of the drills and training cruise authorized for the United States Naval Reserve personnel; to the Committee on Naval Affairs.

9582. Also, petition of the conference of mayors and other municipal officials of the State of New York, urging the revision in Senate bill 36 of the restriction applying to municipalities; to the Committee on Roads.

9583. By Mr. GIBSON: Petition of Emma A. Mixer and 32 other citizens of West Brattleboro, Vt., protesting against any change in the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

9584. Also, petition of the Board of Trade of Richford, Vt., protesting against the consolidation of the United States customs border patrol and the United States immigration border patrol with the United States Coast Guard; to the Committee on Expenditures in the Executive Departments.

9585. By Mr. LINDSAY: Petition of the New York State Department of the American Legion, New York City, opposing action of House Appropriations Committee in its failure to provide for continuance of citizens' military training camps; to the Committee on Military Affairs.

9586. Also, petition of Railroad Employees and Taxpayers Association (Inc.), Richmond, Va., urging proper protection to the railroads; to the Committee on Interstate and Foreign Commerce.

9587. Also, petition of conference of mayors and other municipal officials of the State of New York favoring revision of Senate bill 36; to the Committee on Roads.

9588. By Mr. RUDD: Petition of New York State Department, American Legion, favoring the continuance of the citizens' military training camps, and opposed to the action taken by the Appropriations Committee; to the Committee on Appropriations.

9589. Also, petition of conference of mayors and other municipal officers of the State of New York, favoring certain amendments to Senate bill 36, Federal highway aid bill; to the Committee on Roads.

9590. By Mr. SWING: Petition of 57 residents of Hemet, Calif., urging the passage of the stop-alien-representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.